



# **Daily Report**

# **China**

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# Daily Report

## China

FBIS-CHI-92-042

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**NOTICE TO READERS:** An \* indicates material not previously disseminated in electronic form.

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## General

### UN Meeting Stresses Protecting Children's Rights

#### Two-Day Conference Held

OW2902135092 Beijing XINHUA Domestic Service  
in Chinese 0743 GMT 29 Feb 92

[By reporter Zhang Zhengdong (1728 1767 2639)]

[Text] Geneva, 28 February (XINHUA)—Effectively safeguard the rights of children in developing countries to help them avert natural or man-made sufferings such as hunger, wars, pestilence, deprivation of education, torture, drug taking, and peddling, and grow healthily in a peaceful, developed, and harmonious social environment—this was the common desire expressed by representatives of China and the vast number of developing countries at the 48th Conference of the UN Commission on Human Rights in Geneva.

At the two-day conference on human rights, the issue of safeguarding children's rights was enthusiastically discussed. In their speeches, representatives of many developing countries stressed the importance of safeguarding children's rights, gave briefings on efforts made by their countries in this respect, and called on the international community to attach importance to the protection of children's rights.

In his speech, Chinese representative Duan Jielong said: China has preliminarily established a legal, systematic, and social order in the work of safeguarding children's rights and interests. China attaches great importance to the "Children's Rights Convention" passed by the 44th UN General Assembly, and the Standing Committee of the National People's Congress has approved the "Convention." This fully illustrates the great sense of responsibility and extensive social consciousness of the Chinese Government and people in the aspect of protecting children.

After briefing the participants on the tremendous achievements of China in the aspect of safeguarding children's rights, he pointed out: China is a developing country and its current economic base is still fairly weak. However, with continued deepening in China's reform and opening to the outside world and sustained economic growth, the level of the Chinese children's material and spiritual life will be further upgraded. They will grow in a more fulfilled and rich environment and fully enjoy the rights they deserve.

Representatives of Tunisia, Cuba, the Philippines, Morocco, and Rwanda also spoke at the conference. They unanimously called on the international community to address the children issue and provide aid to help the Third World countries develop their economies in order to lay a material base for the protection of children's rights.

In their speeches, representatives of some nongovernmental organizations also expressed their great concern over the issue of the rights of the vast number of the world's children. They pointed out that the world has some 300 million children living below the poverty line, millions of which are wandering in the streets. The representatives called on the international community and governments of all nations to take effective actions to safeguard children's rights to subsistence.

#### Envoy Ratifies Child Rights Convention

OW203221692 Beijing XINHUA in English  
1938 GMT 2 Mar 92

[Text] United Nations, March 2 (XINHUA)—China has officially ratified the Convention of Rights of Child, which was signed by Li Daoyu, permanent representative of China to the United Nations, on August 29, 1990.

Li Daoyu presented here today the instrument of ratification, which was signed by Chinese President Yang Shangkun and Chinese Foreign Minister Qian Qichen on January 31.

The instrument of ratification, presented to the U.N. Office of Legal Affairs, said that "in accordance with the decision taken by the Standing Committee of the Seventh National People's Congress of the People's Republic of China at its 23rd meeting, the president of the People's Republic of China has ratified the Convention on the Rights of Child."

The instrument of ratification declared at the meantime that China shall fulfill its obligations provided by Article 6 of the convention under the prerequisite that the convention accords with the provisions of Article 25 concerning family planning of the constitution of China and in conformity with the provisions of Article 2 of the law of minor children of China.

#### Indonesia Urges ASEAN Security Cooperation

OW2802224192 Beijing XINHUA in English  
1728 GMT 28 Feb 92

[Text] Singapore, February 28 (XINHUA)—The first Asia Pacific defense conference ended this evening, with most of the speakers urging the nations in the region to promote the regional security cooperation.

Sudibyo Raharjo, chief of general staff of Indonesian armed forces said at the meeting that the termination of the cold war has prompted the emergence of new challenges that may disturb the stability of security.

He said that international relations in East Asia are undergoing great changes. Conflict to gain access and market opportunities, technology and control of resources will become keener and keener, and narrow-minded nationalism and inter-ethnic tensions are threatening national stability.

He called for promoting the cooperation in the defense sector among the ASEAN nation, saying such bilateral cooperation approach will be able to contribute to the creation of ASEAN defense cooperation in a relaxed way [sentence as received].

The three-day meeting, which brought together 115 defense experts from 20 countries and regions, is co-sponsored by AVIATION WEEK and SPACE TECHNOLOGY of the United States, INTERNATIONAL HERALD TRIBUNE of Britain and Institute of Southeast Asian Studies of Singapore.

According to Major General Pehin Mohamed, former chief of staff of Royal Brunei Armed Forces, Brunei and the United Kingdom would renew the treaty of friendship and cooperation between the two countries, which is due to be re-negotiated in 1993.

The general said although Brunei has not made any official move to join the five power defense arrangement, a suggestion had been put forward to Brunei that it might become a member of the arrangement.

Charan Kunlawanit, secretary-general of National Security Council of Thailand, said that Laos, Vietnam, Cambodia and probably Myanmar [Burma] are seeking to become members of ASEAN. This will depend on their level of social economic development before they will be integrated into the grouping, he said.

He spoke highly of the treaty of amity and cooperation Thailand and Laos signed last week in Bangkok, saying it will provide important principles governing inter-state relations in this region which in turn would ensure the maintenance and promotion of regional security and stability in the long run.

Delivering a speech at the meeting, Alan Ortiz, assistant director-general of National Security Council of the Philippines warned that foreign power security umbrellas are unreliable.

"The bottom line is that we have to rely on ourselves to protect our region," he said.

This is amply demonstrated by the effects of the failure to ratify the Philippines-United States treaty of friendship, cooperation and security. As a result, American official behavior towards the Philippines has been downright hostile and vindictive.

He said ASEAN should continue the fruitful dialogues on regional security on the coming ASEAN post-ministerial conference which would be held in Manila in July 1992.

Air Marshal Ray Funneli, chief of Air Staff of Australia, said Australia would continue to strengthen security cooperation with ASEAN countries, to support ASEAN and work to develop other regional arrangement such as APEC (Asia Pacific Economic Cooperation) and work to involve the Indochina and Myanmar in regional affairs.

Professor Masashi Nishihara of international relations of Japan's National Defense Academy said at the conference that Japanese public does not support a militarily strong nation, saying it is in Japan's national interest to maintain good economic and political relations with Asian neighbors.

And Japan's security role is to try to reach "an early solution on the disputed territories" and to strengthen its "political relations with Moscow," he said.

General Charles Horner, the commander of the U.S. Armed Forces and the winner in the Gulf war, was the last speaker at the meeting. He briefed about some lessons to be learnt from the Gulf war.

The next Asia Pacific defense conference will be held here again in 1993, conference sources said.

#### **Bank Expert Urges Asia-Pacific Cooperation**

*OW2802191892 Beijing XINHUA in English  
1538 GMT 28 Feb 92*

[Text] Hong Kong, February 28 (XINHUA)—A senior official of Bank of China said here today that the development of sub-regional economic cooperation will be a new driving force for the future development of the Asia-Pacific region.

Addressing an international symposium, "Hong Kong's Role in the Asian Pacific Region in the 21st Century", Lam Kwongsiu, deputy chief executive of Bank of China Hong Kong-Macao regional office, said he believed the Asia-Pacific region will continue to be the most vivid and energetic economy in the world in this decade and next century.

"What will be the impetus for future development? I would expect the development of sub-regional economic cooperations to become a new driving force," Lam said.

The bank specialist attributed the sustained growth momentum in the region throughout the past two decades to the rapid growth in Japan, the rise of the "four small dragons", the economic reform and opening-up of China and the development in Asian countries.

With the east-west cold war having come to an end, the contention of economic power among countries in the world is rising to top importance. Formation of regional economic blocks is accelerating, Lam said.

Western Europe is approaching a single market. By taking in the Eastern Europe, it is evolving into a pan-European group. North American countries are casting another trade block and it may also turn into a pan-American group by including a number of South American countries. The world economy is apparently regrouping into three economic zones, Europe, America and Asia, Lam said.

For a full-scale regional economic alliance, the Asia-Pacific region is not so matured in fundamental factors

as Europe or America. But the timing and conditions for sub-regional cooperation are getting in place, Lam pointed out.

The bank expert held that the cooperation between Hong Kong, Taiwan and southern China, the "growth triangle" set up between Singapore, Johor of southern Malaysia and Batam Island of Indonesia, cooperation under discussion between Japan, Korea, northeast China and eastern Russia around the Sea of Japan would be examples demonstrating the enormous benefits of sub-regional economic cooperation.

"Compared with a large scale economic alliance, sub-regional economic cooperations can be more adaptive and flexible," Lam believed.

It can be anticipated that sub-regional economic cooperation will carry on the region's growth momentum of the 70s and 80s, and become the major thrust for the region's economic development in the 90s, he concluded.

The two-day symposium opened today, with an attendance of some 200 economists, scholars and specialists from Australia, Britain, China, Japan, Indonesia, Malaysia, the Philippines, Singapore, South Korea, Taiwan and Hong Kong.

#### **UNDP Tumen River Development Meeting Ends**

*OW2802191492 Beijing XINHUA in English  
1546 GMT 28 Feb 92*

[Text] Pyongyang, February 28 (XINHUA)—A UNDP [United Nations Development Program]-sponsored meeting on the development of the Tumen River lower basin ended today in Seoul, the capital of South Korea, with an agreement to form three experts teams to work out strategic options.

Radio Seoul reported that representatives from China, Russia, the Democratic People's Republic of Korea, South Korea, Mongolia and Japan attended the two-day meeting of the program management committee (PMC).

Officials of the United Nations Development Program (UNDP) and Asia Development Bank took part as full participants in the PMC meeting.

The participants heard a UNDP report on the ambitious Tumen River development program and discussed relevant legal and financial issues.

They agreed that PMC member countries should assemble their own specialist teams to prepare strategic options and financing, the radio quoted Krishan G. Singh, UNDP's assistant administrator as saying at a press conference.

The teams will work from April to July on developing strategic options for the development of the area in northeastern Korea, Singh said.

The plan, which is to create a free trade zone in the Tumen River delta straddling Democratic Korea, China and Russia, will cost an estimated 30 billion dollars over 15 to 20 years.

#### **Zhu Rongji Meets World Energy Council Official**

*OW0303112392 Beijing XINHUA in English  
1103 GMT 03 Mar 92*

[Text] Beijing, March 3 (XINHUA)—Chinese Vice-Premier Zhu Rongji met with Secretary-General I.D. Lindsay of the World Energy Council (WEC) here this afternoon.

In the meeting, Zhu and Lindsay discussed ways to further China's cooperation with the WEC.

Huang Yicheng, Chinese Minister of Energy Resources and chairman of the WEC China National Committee, was present at the meeting.

#### **Scientist Appointed Deputy Director of IAEA**

*OW2902020592 Beijing XINHUA in English  
0059 GMT 29 Feb 92*

[Text] Vienna, February 28 (XINHUA)—A 54-year-old Chinese scientist, Qian Jihui, has been appointed deputy director-general of the International Atomic Energy Agency (IAEA), becoming the first Chinese to hold such a senior post since China joined the agency in 1984.

The appointment was announced by the IAEA Director-General, Hans Blix, at a meeting of the agency's board of governors that began on February 24 and ended on Wednesday.

Qian will be in charge of IAEA technical assistance and cooperation work.

A long-time expert on dynamics research, Qian had been head of the China Nuclear Power Research Institute for the past four years.

#### **Paper Analyzes Israel's Need for U.S. Loan**

*HK0303063292 Beijing RENMIN RIBAO  
in Chinese 29 Feb 92 p 6*

[“News Analysis” by staff reporter Xu Ping (1776 1627): “Will Israel Get 10 Billion-Dollar Loan?”]

[Text] Cairo, 25 February (RENMIN RIBAO)—On 24-25 February, U.S. Secretary of State Baker, in his testimony to the Senate and House of Representatives Appropriations Committees, said that the United States would not give the new loan guarantees of \$10 billion to Israel unless it stopped constructing Jewish settlements on occupied Arab land. This is the first time that the United States made an official and public announcement following a series of secret negotiations on this issue between the United States and Israel. The U.S. action was welcomed by Arab states but, at the same time, met with increasingly strenuous opposition from Israel.

## INTERNATIONAL AFFAIRS

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Israel wished long ago to obtain the \$10 billion U.S. commercial loan to settle the large number of Jewish immigrants from the former Soviet Union and asked the U.S. Government to provide guarantees. For the smooth convocation of the Middle East Peace Conference in Madrid, the Bush government indicated last September that the study of the issue would be postponed for four months. On 23 January, when the postponement of 120 days set by President Bush ended, the United States once again asked to put off the matter until after the multilateral negotiations in Moscow.

Both the White House and the State Department's positions on this issue are clear: The loan cannot be used to build settlements in the occupied territories, because the issue of settlements has become one of the greatest obstacles in the Middle East peace process.

Meanwhile, Israel urgently wanted to obtain the loan. On 23 January, the Israeli ambassador to the United States submitted a report approved by the Israeli Government to U.S. Secretary of State Baker. According to the estimate of this report, since the beginning of 1989, 400,000 Jews have emigrated to Israel, most of them Soviet Jews. By the end of this year, the total number of Jewish immigrants will reach 1 million. To settle this large number of immigrants, Israel badly needs more aid from the United States. The report admits that, if the United States does not provide the loan guarantees, Israel's economy will suffer a setback and will subsequently collapse. This year, the unemployment rate in Israel will probably rise to 16.2 percent.

Shamir stressed in parliament on 3 February, however, that even though "they attached great importance to the loan guarantees, they would not accept any conditions added by the United States." He made another remark: "Israel will not, in a single day, stop building settlements on the occupied territories." The Israeli radio station also openly declared that in Silwan, the eastern suburb of Jerusalem, alone, 200 settlements for immigrants are under construction. Housing Minister Sharon also indicated that more funds would be provided for building settlements.

In this regard, the Israeli ambassador to the United States held several secret talks with Secretary of State Baker, but they were unable to reach an agreement because of the great divergence of opinion on both sides. Israel once expressed that it could slow down the speed of building settlements on the occupied territories in exchange for U.S. Government's loan guarantees. But the United States insisted that Israel should no longer build settlements on the occupied territories. At most, Israel was only allowed to complete the residential units on the Gaza Strip and the West Bank.

An informed source has revealed that the United States had used spy satellites and helicopters to observe how Israel built settlements in the occupied territories, publicly pointing out that Israel had taken the opportunity of the Gulf war and had exploited its position as a victim of

"Scud missile" attacks to expedite the pace of immigration to the occupied territories last year. According to a survey "On the Present Peace Movement," Israel's residential houses built on the occupied territories in 1991 increased by 60 percent, with a cost of \$1 billion.

According to a WASHINGTON POST report, because the United States insisted that the \$10 billion loan guarantees should be linked with the immigration plan in the occupied territories, some senior figures in Israel have become increasingly pessimistic about the possibility of obtaining the loan. The leader of the opposition Labor Party Rabin also criticized that the Shamir government's persistence in building settlements had no strategic significance. But, there are people in the United States trying to seek an intermediate plan acceptable to both the White House and Israel.

The U.S. Congress is now examining its foreign aid budget, and this matter must come to an end before the end of March at the latest. Consequently, whether or not Israel will eventually obtain the \$10 billion loan has yet to "be revealed in the next chapter."

### **Article Decries West's 'Human Rights Diplomacy'**

*OW2902095892 Beijing BEIJING REVIEW in English No 8, 24 Feb - 1 Mar 92 pp 8-9*

[Article by Li Hong: "Developing Countries Fight for the Right to Subsistence"]

[Text] The issue of human rights has become one of great significance and common concern in the international community. For the three-fourths of the world's population in developing countries, the right to subsistence is the most important of all human rights, without which the other rights are out of the question.

The modern history of developing countries is virtually a history of their fight for the right to subsistence. In the past, they suffered much from the bloody rule and cruel plunder by colonialists, imperialists and racists. African black people were sold as slaves, Asians suffered the humiliation of being treated as dogs, and American aborigines were nearly wiped out from their homeland. Under the situations, how could they enjoy the human rights?

After World War II, people in the colonial and semi-colonial countries waged a determined struggle for their national independence, raising a strong historical trend in the world. From their own experience they came to know that national independence and sovereignty are the basic conditions for their right to subsistence.

In 1955, some independent Asian and African nations held the Bandung Conference in Indonesia. The conference vowed to support the struggle of various nations for freedom and independence and adopted the Ten Principles concerning world peace and cooperation. It stressed: "The subjection of peoples to alien subjection, domination and exploitation constitutes a denial of fundamental

human right, and is contrary to the Charter of the United Nations." Afterwards, many global organizations of developing countries, such as the Non-aligned Movement and the Group of 77, and regional political and economic organizations in Africa, Arab region, Asia, Latin America and Oceania were established to seek and maintain their political and economic rights.

The United Nations, under the promptings of developing countries, has worked out a series of instruments on human rights, enriching the human rights theory and practice. The Universal Declaration of Human Rights adopted by the UN General Assembly in 1948 stipulates that human rights include not only civil and political rights but also economic, social and cultural rights. In later conventions, the right to national self-determination was recognized as an important human right.

For many developing countries, national independence did not mean the immediate removal of their poverty and underdevelopment created by colonial rule and exploitation. In fact, their poverty became more acute. In 1986, the UN General Assembly adopted the Declaration on the Right to Development proposed by developing countries. The document says that "the right to development is an inalienable human right" and that "the human right to development also implies, the full realization of the right of peoples to self determination, which includes... the exercise of their inalienable right to full sovereignty over all their natural wealth and resources."

All this developed the human rights concept. Human rights began to include civil and political rights as well as economic, social and cultural rights, and both individual human rights and collective human rights.

Today, to seek and protect the people's right to subsistence remains an issue of primary importance in the human rights field in developing countries. In the world today, colonialism and racism in various forms, foreign aggression and occupation, and violation of national sovereignty and independence still exist. Developing countries are still suffering exploitation to varying degrees; their resources, products and funds are controlled by others; and their people are still poverty-stricken. In some of them, people often go hungry and see high death rate. These are threatening the people's right to subsistence in developing countries. Statistics show that almost all the 150 major regional wars and conflicts after World War II occurred in the development regions, and more than 20 million people were killed. All the wars and conflicts, causing enormous losses to related developing countries and their people, involved foreign aggression, interference or intervention. People in developing countries desire peace and economic development so as to realize their right to subsistence.

Economically, the developing countries still have no right to speak within the existing unreasonable international economic order. Their economic situation is

increasingly deteriorating and the gap between the South and the North is expanding. Many developing countries' economic and social development programmes have run into snags. At present, these countries owe a foreign debt of US\$1,340 billion in all, about one half of their total gross national product and 65 percent more than their export earnings. Their trade conditions also get worse and funds flow to developed countries. According to the UN statistics, people living in absolute poverty conditions in developing countries have surpassed 1 billion, 550 million of them struggle on the verge of starvation, and 13 million to 18 million people died of hunger each year. A representative from a developing country commented that hungry people have no freedom.

Now, some Western countries are actively conducting "human rights diplomacy." Actually, they are interfering in developing countries' internal affairs on the pretext of human rights in an attempt to establish a "new world order" based on their own values and achieve their political and strategic goals. They link economic assistance to the human rights issue and exert pressure on developing countries through economic "sanctions." They also intervene in developing countries' internal affairs, prop up opposition factions, and even support and plot turmoil, causing political instability in these countries. Such practice sabotages the political and economic development of developing countries, ruins international cooperation in the human rights field, poisons state-to-state relations and hinders' the realization of human rights.

Many developing countries have refuted Western "human rights diplomacy." The joint communique issued by ASEAN countries' foreign ministers after their meeting last July reiterated that the developed countries must not force their human rights standards on developing countries, otherwise it would be a violation of the latter's sovereignty. WORLD NEWS, published in the Philippines, pointed out that some Western countries had ulterior motives when they paid undue attention to others' human rights records. In the past, these countries conquered backward nations through gunboat policy, but now, they attempt to subvert or isolate those nations who are not obedient to them through "human rights" or "economic sanctions." Nelson Mandela, leader of African National Congress of South Africa, called for resistance to Western "human rights diplomacy," saying that African countries had fought for freedom and democracy for several centuries and Western countries had no right to talk about what they should do on the question.

The developing countries maintain that on the issue of promoting human rights, all countries should share duties and strengthen cooperation on the basis of respect for sovereignty and non-interference in each others' internal affairs. The Sino-Indian Joint Communique, issued in New Delhi last December at the end of Chinese Premier Li Peng's visit to India, said, "Human rights are

indivisible. For the vast number of developing countries, the right to subsistence and development is a basic human right."

Owing to the differences in political, economic, social and legal systems, and in historical background, social customs, cultural tradition and ideology in various nations, it is obviously absurd and will get nowhere to judge a country's human rights situation according to a preconceived model. Despite its international aspect, the issue of human rights falls by and large within the sovereignty of each country. And the realization of human rights should proceed from the national condition of each country.

### United States & Canada

#### Bush Vetoes Bill on Conditional Renewal of MFN

##### Cites U.S. Business Interests

*OW0303014592 Beijing XINHUA in English  
0123 GMT 03 Mar 92*

[Text] Washington, March 2 (XINHUA)—U.S. President George Bush vetoed a bill on conditional renewal of 1992-93 China's most-favored-nation trade status, the White House announced today.

In a letter to the House of Representatives, Bush said that attaching conditions to China's MFN "would severely handicap U.S. business in China, penalizing American workers and eliminating jobs in this country."

Bush said his veto "is needed to protect the economic and foreign policy interests of the United States."

The bill was submitted by some House representatives earlier last year. It was approved by the House and the Senate in November 1991 and on February 25 this year respectively.

Under U.S. law, Bush's veto would sustain, if both the House and the Senate fail to obtain more than two thirds of votes to override the veto.

##### Foreign Ministry Welcomes Veto

*HK0303125592 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1216 GMT 3 Mar 92*

[Text] Beijing, 3 Mar (ZHONGGUO XINWEN SHE)—A Chinese Foreign Ministry spokesman today welcomed and expressed appreciation for U.S. President George Bush's veto on a U.S. Congress bill for a conditional renewal of China's most favored nation [MFN] trading status.

A reporter asked: U.S. President Bush on 2 March vetoed a bill passed by the U.S. Congress on conditional renewal of China's MFN status from 1992 to 1993. Do you have any comment?

Answering the question, the Chinese Foreign Ministry spokesman said: We welcome and appreciate President Bush's decision. The continued granting each other MFN status is in the interests of both the Chinese and American peoples, conducive to the economic and trade ties between the two countries, and also helpful to the improvement and development of relations between the two countries.

#### Guangzhou Official on Plans if MFN Discontinued

*HK0303040192 Hong Kong WEN WEI PO  
in Chinese 3 Mar 92 p 6*

[By staff reporter Chou Wen-chiang (0719 2429 1730); "If China Loses MFN Status, Guangzhou Will Carry Out Countermeasures"]

[Text] Guangzhou, 2 Mar (WEN WEI PO)—If the United States discontinues its most-favored-nation [MFN] treatment for China, Guangzhou will make some room in the market for the enterprises set up by U.S. manufacturers in Guangzhou. Lei Yu, executive vice mayor of Guangzhou responsible for economic affairs, made this remark today while meeting with the managing director of America's Toys 'R' Us Limited, the biggest toy manufacturer in the world; vice president and concurrently general manager of (Meitai) [5019 3141] Toys; general manager of (Qisi) [0796 1835] Toys Limited; managing director of (Taise) [3141 4430] Toys; managing director of (Jiale) [1367 2867] Toys; and director and relevant managers of Hong Kong's (Zhen-tai) [6966 3141] Limited.

Lei Yu offered his personal opinion when analyzing Sino-U.S. relations: China and the United States established normal relations after decades of mutual isolation. It has been beneficial to both governments and peoples and should be developed, not undermined. If, unfortunately, MFN status for China were to be revoked, Sino-U.S. relations would be disconnected. This would be first of all detrimental to the United States, as it has many investments in China. Finally, Lei Yu expressed his hope that the two sides will not be affected by certain things and hoped to make our views clear to the friends in various circles in the United States, preserve existing relations, and stabilize ties.

#### Commentary Views Sino-U.S. Trade, Hong Kong

*HK0103044792 Hong Kong ZHONGGUO TONGXUN  
SHE in Chinese 0924 GMT 28 Feb 92*

[“Commentary” by Yu Cheng (6735 2052): “Expected That Sino-U.S. Economic, Trade Relations Will Improve Continuously, Prospects of Hong Kong Economy Will Be Bright”]

[Text] Hong Kong, 28 Feb (ZHONGGUO TONGXUN SHE)—Sino-U.S. trade relations are gradually improving after going through a difficult situation, and it

is believed that the ongoing improvement of trade relations will help promote the future development of bilateral economic and trade relations and investment between the two countries. This will also benefit Hong Kong's economic and trade growth, so it is expected that Hong Kong's foreign trade and domestic economy will grow more significantly this year.

Although China and the United States still have a number of economic and trade problems to solve, the two sides succeeded in reaching agreement in their talks on protecting intellectual property rights earlier this year. It is believed that the two countries will further improve their economic and trade relations as well as their political relations. Although the U.S. Senate recently passed a bill on conditionally extending China's most-favored-nation [MFN] trade status and China indicated that it would never accept such offer, it is believed that U.S. President Bush is very likely to veto the Senate decision and will continue to unconditionally extend China's MFN status. Some contradictions may still exist in Sino-U.S. economic and trade relations, but this will not obstruct the future development of trade and investment between the two sides.

According to statistics published by the U.S. side, the U.S. side still incurred a large deficit in its trade with China, but the annual growth rates of the U.S. exports to China in each month after June last year remained at a high level of 30 percent or above. This indicated that the reinvigoration of China's economy and internal demand had brought about the corresponding growth in imports. In fact, the total value of goods imported by China increased by nearly 20 percent, and the U.S. products also sold better in the Chinese market. China's exports to the United States also continued to increase, and this certainly benefited the American consumers of the middle and lower classes, who were affected by the economic recession.

In all developing countries and regions, the development of foreign trade in the early stage is always marked by a trade surplus, with the volume of their exports being greater than the volume of imports. China is no exception, but it has continuously relaxed the tariff control over various imported goods, has increased the openness of its trade rules, and has attached importance to guaranteeing intellectual property and to the human rights issue. All this will promote the development of China's foreign trade relations, including economic and trade relations with the United States.

It is obvious that the United States will rationally improve its economic and trade relations with China, because it cannot neglect its long-term interests on this huge market. China has completed its three-year economic adjustment and rectification, and its economy has markedly improved in recent months, with import-export trade increasing substantially. Therefore, businessmen in the United States and other countries and regions will make effort to develop their business in

China. If Sino-U.S. economic and trade relations continue to improve, this will not only benefit American businessmen, but will also bring greater benefit to Hong Kong businessmen.

Hong Kong is an export-oriented economy, and trade has made a major contribution to Hong Kong's economic growth. The two largest trading partners of Hong Kong in its export and reexport business are mainland China and the United States. If Sino-U.S. economic and trade relations get better, this will give a greater impetus to Hong Kong's economic growth. In particular, Hong Kong manufacturers continued to increase investment and reinvestment in South China in recent years, and this made the development of Hong Kong's foreign trade depend more heavily on changes in China's foreign economic and trade relations. Many major industrial and commercial organizations in Hong Kong are now planning to send lobbying delegations to the United States for the unconditional extension of China's MFN status. This reflects the Hon Kong businessmen's high interest in this issue.

As China has stressed the need to further open up and carry out economic reform and has made efforts for this in various aspects, it is believed that China will join the GATT under acceptable conditions. This will be favorable to the future development of China's foreign economic relations and trade. The Hong Kong economy will thus have bright prospects.

#### Joint Pharmaceutical Factory Planned for Yunnan

OW0203143092 Beijing XINHUA in English  
1400 GMT 2 Mar 92

[Text] Kunming, March 2 (XINHUA)—A Sino-American high-tech pharmaceutical factory will be set up in Kunming, capital of southwestern China's Yunnan Province.

According to an agreement signed recently by the Kunming Pharmaceutical Factory and the Ivax Corporation of the U.S., the projected joint venture—Kunming Ivax Pharmaceutical Co. Ltd.—will be the first high-tech pharmaceutical factory in Yunnan, which is rich in medical herb resources.

Total investment of the joint venture will amount to 8 million U.S. dollars. The investment of the Kunming partner will be its tablet workshop and the equipment valued at about 2.07 million U.S. dollars, accounting for 49 percent of the equity, and that of the U.S. partner will be about 1.08 million U.S. dollars of cash plus industrial property rights, special technology and patent products valued at about 1.08 million U.S. dollars, making up 51 percent of the total equity.

The joint venture, with a cooperation term of 30 years, will introduce six kinds of patent medicine from Ivax and a dozen internationally patented new medicines, as well as producing some herbal medicine.

In five years of operation, the sales of the joint venture are expected to reach 200 million yuan, and the net profits 28 million yuan.

Being one of the 80 key pharmaceutical factories in China and the largest in Yunnan, the Kunming Pharmaceutical Factory produces over 240 varieties of medicine including herbal, antibiotic and compound medicine. Some of its products have been exported to many countries.

The Ivax Corporation is a multi-national company. Last year, its sales reached 200 million U.S. dollars.

Known as the "Kingdom of Plants," Yunnan boasts over 1,250 varieties of herbal plants, making up one fourth of China's total.

#### Vice Premier Zou Meets Motorola Chief in Beijing

*OW0303113792 Beijing XINHUA in English  
1112 GMT 3 Mar 92*

[Text] Beijing, March 3 (XINHUA)—Chinese Vice-Premier Zou Jiahua met with George Fisher, chairman and chief executive officer of the Motorola Inc. of the United States, here today.

They both expressed hope to further cooperate in the electronics industry.

#### Central Eurasia

##### XINHUA: Russia Becoming Drug Transit Center

*OW0203024492 Beijing XINHUA in English  
0234 GMT 02 Mar 92*

[Text] Moscow, March 1 (XINHUA)—Russia is becoming the world drug transit center, according to a local television report today.

Customs statistics showed that 100 tons of drug were seized last year, more than the total sum confiscated in the previous 10 years.

The TV report on the anti-drug day said that 95 percent of the drug on the Russian market was produced in the Commonwealth of Independent States with the rest smuggled in from cities along the Baltic Sea.

Drugs from India were smuggled into Russia through Georgia.

Most of the drugs were transferred from Russia to Europe from the Moscow international airport.

The report said the number of intravenous drug addicts is on the rise, which increase the danger of contracting the deadly disease of AIDS.

The customs officials have made great efforts in cracking down on drug trafficking. However, their endeavors need cooperation of other countries, the report said.

#### 'Roundup' Reviews Russia's Economic Difficulties

*OW0203132792 Beijing XINHUA in English  
1256 GMT 2 Mar 92*

[“Roundup: Russia's Economic Reform in Difficulty (by Sun Zhanlin)”—XINHUA headline]

[Text] Moscow, March 1 (XINHUA)—Russians are worrying about the prospects of reform while their country has implemented the economic reform on free prices and accelerating privatization in enterprises since early this year.

So far, the problems such as production drop, price hikes and unemployment growth in Russia are turning millions of families to the brink of poverty.

Russian President Boris Yeltsin said on February 25 that 18 percent of people in Russia lived below the poverty line and 30 percent were close to poverty.

Prices of commodities, food and service fees in Russia have gone up sharply since the policy of free prices was put into effect on January 2.

Officials said the prices in January rose by 2 to 2.5 times from last December. But according to economists, the prices actually hiked by 3 to 3.5 times.

The soaring expenditure has lowered people's living standards sharply. Some retired people complained that their monthly income could only buy two kilograms of sausages.

Although more goods were seen in state-owned shop shelves recently, the prices were so high that ordinary consumers could not afford them.

On February 27, the Russian Government approved a new plan on the economic reform stipulating that all prices except medicine, children's food and public service will be free by the end of March, and firmly breaks down the monopoly of state-owned enterprises in business operations.

The plan also demands Russia develop a normal market mechanism and reduce monthly inflation by 2-3 percent by the end of this year.

Economists predicted that a new wave of price hiking was on the cards in Russia.

Russia has quickened the privatization process in enterprises while freeing the prices. According to official announcement, 1,700 small- and medium-sized enterprises have been privatized and 2,000 more will be approved soon.

Twenty to 25 percent of enterprises and 60-70 percent of commercial and service industries will realize privatization within 1992.

But the quick privatization, bankruptcy and drastically reduced orders in enterprises have raised unemployment. According to reports, the unemployed reached 2.5 million in Russia last year, but up to 6 million at present. The figure is expected to shoot up to 8 million in mid-1992.

The price reform and privatization policy has failed to stimulate production. According to recent figures compiled by the State Statistics Committee, the production of all industrial departments in the country was down from the corresponding period last year.

The statistics showed that oil, coal and steel outputs fell by 14, 6 and 30 percent respectively. Some key machinery outputs reduced by 20-30 percent.

Calling on the citizens to exercise "patience," Yeltsin said the economic stability is expected to be realized in fall.

But press media here warned that there is a limit to people's patience. People have held strikes in Moscow and other regions since this year, expressing their dissatisfactions with the worsening living conditions.

Meanwhile reform supporters organized rallies to support the government.

The Russian Parliament President Ruslan Khasbulatov had strongly criticized Yeltsin's government, saying the price reform had resulted in unbridled price hikes and real galloping inflation.

Local observers said the differences among the top leaders would make the economic reform even more difficult.

#### Shaposhnikov Orders CIS Forces Out of NKAO

##### INTERFAX Cited

OW2802233892 Beijing XINHUA in English  
2304 GMT 28 Feb 92

[Text] Moscow, February 28 (XINHUA)—The commander-in-chief of the armed forces of the Commonwealth of Independent States (CIS) has ordered former Soviet troops stationed in Nagorno-Karabakh [NKAO] to withdraw from the disputed region torn by fresh fighting.

Yevgeniy Shaposhnikov ordered "the 366th Stepanakert Regiment, whose position in recent days has come under fire from the Azeri side, to withdraw from the territory," INTERFAX News Agency reported.

CIS armed forces have also been ordered to pull out of posts along the border between Armenia and Azerbaijan.

Fighting intensified this week between Armenian and Azeri militants.

The information center of the CIS Armed Forces Central Command said that the decision was made in a telegraph

to the commander of the Transcaucasian Military District and presidents of Armenia and Azerbaijan.

The two republics have been vying for the control of the region, which is dominated by Armenian population but came under the jurisdiction of Azerbaijan since 1923.

Shaposhnikov said despite various measures and mediation efforts, the conflict was nothing but escalating.

He urged the leaders of the two republics to move to ensure the return of military equipment seized from army bases in the region.

If stolen weapons and ammunition were not returned, Shaposhnikov warned, "measures would be taken to destroy them."

But he added that civilian lives would not be put in danger.

Citing "impermissible illegal actions" against CIS soldiers and their dependents, Shaposhnikov called on Azeri President Ayaz Mutalibov and Armenia's Levon Ter-Petrosyan to use their influence to help end the conflict peacefully.

Over 1,000 people have been killed in the past four years in the mountainous caucasian region. At least three CIS soldiers were killed in the past few days.

The commander-in-chief ordered the Commonwealth troops in the region, including the Fourth Army in Azerbaijan and the Seventh Army in Armenia, to deal "a decisive rebuff" to any attack on them.

The 366th regiment, based in the region's capital of Stepanakert, was the only CIS unit stationed in Nagorno-Karabakh proper.

##### Military District Implements Decree

OW20203023592 Beijing XINHUA in English  
0200 GMT 2 Mar 92

[Text] Moscow, March 1 (XINHUA)—The headquarters of the Transcaucasian military district today decided to withdraw the 366th motorized infantry corps from Stepanakert, the center of the Nagorno-Karabakh enclave.

The decision was made in accordance with a decree from the commander-in-chief of the armed forces of the Commonwealth of Independent States (CIS), Yevgeny Shaposhnikov, on February 28.

According to ITAR-TASS news agency, troops of the internal ministry had already begun pulling out of the area and complete withdrawal from the enclave would be realized after the pullout of the 366th corps.

The military committee of the Transcaucasian military district announced that any attempt by the warring parties to obstruct the withdrawal "would lead to an

"unpleasant result," and warned those who carried out provocations would have to take responsibility for their actions.

However, the Transcaucasian military headquarters have not disclosed the withdrawal date.

#### **Armenian President Denies Claims on Azerbaijan**

*OW2902040892 Beijing XINHUA in English  
0301 GMT 29 Feb 92*

[Text] Moscow, February 28 (XINHUA)—Armenian President Levon Ter-Petrosyan declared today that his country had no territorial claims against Azerbaijan, the Armenian News Agency and TASS report.

Any solution to the Transcaucasian crisis that was acceptable to the inhabitants of Nagorno-Karabakh would be agreed to by Armenians, he told visiting Iranian Foreign Minister Ali Akbar Velayati in Yerevan, the Armenian capital.

More than 1,000 people have been killed in the four years of clashes between Armenia and Azerbaijan over the sovereignty of Nagorno-Karabakh, a southern mountainous enclave predominantly populated by Armenians but located inside Azerbaijan.

Velayati expressed the hope that the two nations could restore friendship. He said Iran would like to establish good ties with the two countries, its neighbors.

Velayati arrived in Baku, the Azerbaijani capital, on Tuesday at the invitation of the leaders of Armenia and Azerbaijan to mediate in the dispute.

However, observers say that, in trying to settle the crisis, his mission is trying to increase Iranian influence in the Muslim regions of the former Soviet Union.

Velayati held talks on Tuesday with Azerbaijani President Ayaz Mutalibov and had planned to tour the war-torn region to meet representatives of the two sides.

But his efforts, as well as his tour plans, have suffered a grave setback, as the two sides unleashed a fresh wave of fighting shortly after a truce took effect on Wednesday.

Velayati said at a news conference this evening that the purpose of his mission was to pave the way for a resolution of the Armenia-Azerbaijan dispute.

He described his trip to Baku and Yerevan as "the first step" towards the peace target.

#### **Northeast Asia**

##### **Qiao Shi Meets Mongolian Procurator General**

*OW0303133192 Beijing XINHUA in English  
1302 GMT 3 Mar 92*

[Text] Beijing, March 3 (XINHUA)—Qiao Shi, a member of the Standing Committee of the Political

Bureau of the Chinese Communist Party Central Committee, met here today with G. Bahdal, the procurator-general of Mongolia, and his party.

Qiao extended a welcome to the delegation, saying that exchange visits between leaders of the two neighboring countries would greatly enhance mutual understanding.

He expressed hope that the procuratorates of the two countries would continue strengthen contacts to promote friendly and co-operative ties between the two sides.

Concerning China's domestic situation, Qiao said that political and economic conditions in China are stable, and that relations between the country's different nationalities are good. He added that the policies of reform and opening to the outside world have triggered rapid economic development, as well as development in many other areas.

Qiao said that China is in the midst of its Eighth Five-Year Plan period (1991-95), and that the country will hasten its reform and opening effort, while at the same time maintaining long-term political stability and consistent economic growth.

Bahdal said that the scope of Sino-Mongolian cooperation has expanded rapidly in recent years. He told Qiao that his delegation had engaged in constructive talks with Liu Fuzhi, the procurator-general of the Supreme People's Procuratorate of China.

He added that China has accumulated vast and valuable experience during its implementation of the reform and opening policies.

Liu Fuzhi and K. Oldzboy, the Mongolian ambassador to China, attended the meeting.

Later this evening, Ren Jianxin, the president of the Supreme People's Court of China, also met with the delegation.

Bahdal and his party, who arrived here on March 2 at the invitation of Liu, are scheduled to visit south China's Guangzhou and Shenzhen cities.

##### **Japan Lodges Protest Against Fishery Accord**

*OW0203143492 Beijing XINHUA in English  
1305 GMT 2 Mar 92*

[Text] Tokyo, March 2 (XINHUA)—Japan today lodged a protest against an agreement reached by Russia and South Korea which would allow the latter to conduct fishing operations around four islands claimed by Japan, the KYODO NEWS SERVICE reported.

Nichio Shimada, chief of the fisheries department at the Ministry of Agriculture, Forestry and Fisheries, called the agreement "extremely regrettable."

He said the accord "undermines the progress made so far between Japan and Russia toward resolving the four islands problem and concluding a peace treaty."

In their first session of fishery commission meetings in Seoul earlier this year, Russia and South Korea set catch quotas in each country's 200-mile zone.

Russia agreed to allow South Korea to fish in the Pacific off part of the Kuriles, adjacent to the four islands. These are claimed by Japan as "northern territories."

The islands were seized by Soviet troops at the end of World War II.

### Southeast Asia & Pacific

#### Song Jian Signs S&T Accords With Singapore

##### To Be 'Landmark' in Cooperation

OW0203091092 Beijing XINHUA in English  
0812 GMT 2 Mar 92

[Text] Singapore, March 2 (XINHUA)—The agreement between China and Singapore on cooperation in science and technology was signed here this morning.

Song Jian, state councilor and chairman of the Science and Technology Commission of China, and his counterpart Lee Hsien Loong, deputy prime minister and minister for trade and industry of Singapore, signed the agreement on behalf of their respective governments.

An 8-member science and technology delegation led by Song Jian arrived here from Malaysia on Sunday.

Answering questions at a press conference after the signing ceremony, Song Jian said that China and Singapore desire to promote and strengthen cooperation between the two countries in the field of science and technology on the basis of respect for the principles of equality, sovereignty and mutual benefits.

He said that the agreement, setting out a broad framework for cooperation, would be a new landmark of promotion of the cooperation in developing science and technology, particularly in the high-technology and high-level industry.

China and Singapore could cooperate at first in commercialization and internationalization of Chinese scientific and technical results, Song said.

Lee Hsien Loong said at the press conference that he suggested to set up a framework for cooperation on science and technology between Singapore and China when he visited Beijing last May. He felt very happy that the two countries could reach an agreement in nine months.

The agreement enters into force from the date of signing and remain in force for a period of five years.

Under the agreement, the fields of scientific and technological cooperation are very wide, including:

—exchange of information and specialists in science and technology,

—transfer of scientific and technical knowledge and experience,

—recruitment of scientists, engineers and technical personnel in each other's country to undertake projects,

—joint research and development on specific subjects of mutual interest.

During the five-day visit, Song Jian will call on Prime Minister Goh Chok Tong and hold a delegation meeting with Lee Hsien Loong.

The delegation will visit National Science and Technology Board, Economic Development Board, Nanyang Technological University, Port of Singapore Authority and some manufactures [word as received].

##### Prime Minister Notes Agreement

OW0303143792 Beijing XINHUA in English  
1420 GMT 3 Mar 92

[Text] Singapore, March 3 (XINHUA)—Singapore supports the cooperation in science and technology with China, said Singapore Prime Minister Goh Chok Tong here today.

Goh made this remark when he met Song Jian, the visiting Chinese State Councilor and Chairman of the State Science and Technology Commission.

Song Jian and his Singapore counterpart Lee Hsien Loong, deputy prime minister and minister for trade and industry, signed an agreement on cooperation in science and technology.

During the meeting, Goh said that the agreement had opened a new field of cooperation between Singapore and China. The Singapore Government will fully support the cooperation in science and technology between the two countries.

Song Jian told the prime minister that the two countries could begin the cooperation in microelectronics, biotechnology and new material.

"The agreement sets out a broad framework. With the support of both governments, we could cooperation [word as received] in aerospace technology and remote sensing," Song said.

##### State Councillor Li Tieying Visits Sri Lanka

OW0303022692 Beijing XINHUA in English  
0134 GMT 03 Mar 92

[Text] Colombo, March 3 (XINHUA)—A Chinese delegation of education led by Li Tieying, state councillor and minister in charge of the State Education Commission, arrived in Colombo Monday evening for a three-day official visit.

The Chinese guests were greeted at the Colombo international airport by Sri Lankan Minister of Justice and

Higher Education A.C.S. Hameed and Chinese Ambassador to Sri Lanka Zhang Lian.

Li Tieying and Hameed held an informal meeting at the government guest house in Colombo soon after the arrival of the Chinese delegation.

The Chinese state councillor will hold formal discussions with Hameed today on cultural exchanges between the two countries.

Li Tieying and his party are also scheduled to pay courtesy calls on Sri Lankan President Ranasinghe Premadasa and Prime Minister D.B. Wijetunge.

Besides, the delegation will visit the University of Kelaniya, where Li will present teaching equipments and books valued at 50,000 rmb [renminbi] yuan on behalf of the Chinese government, according to an official of the Chinese Embassy here.

They will also visit the Colombo general hospital and Ananda College.

Before coming here, the Chinese delegation paid a five-day visit to India, during which they met Indian Prime Minister Narasimha Rao and Minister for Human Resource Development Arjun Singh and signed a protocol on cooperation in the field of education with the Indian side.

#### **Radio, TV Minister Meets Thai Officials**

*OW0303045992 Beijing Central People's Radio Network in Mandarin 1030 GMT 2 Mar 92*

[From the "National Hookup" program]

[Text] Thai Deputy Prime Minister Phao Sarasin met with a Chinese delegation from the Ministry of Radio, Film, and Televison, led by Minister Ai Zhisheng, in the Prime Minister's office today. The host and the guests held cordial conversations in an amicable atmosphere. Both sides expressed a common desire to further strengthen exchanges in the field of broadcasting and television between the two countries, and to enhance the friendship between the peoples of the two countries.

On the same morning, General Suchinda Khraprayun, supreme commander of the Thai Armed Forces, also met Minister Ai Zhisheng and his entourage in Bangkok. Ai Zhisheng briefed General Suchinda on the general situation of our country's radio and television stations.

#### **Analysis of Australia's Asian Trade Links**

*OW0203023792 Beijing XINHUA in English 0159 GMT 2 Mar 92*

[News Analysis: "Sharp Rise in Asia Exports Boosts Australia's High Growth Chances"]

[Text] Canberra, March 2 (XINHUA)—Dramatic growth in Australia's exports to the booming Asian

countries has lifted the country's chances of achieving high growth without blowing out the current-account deficit.

The latest figures released by bureau of statistics show that almost 60 percent of Australia's exports of goods in the six months to December were directed to Asia, compared with 53 percent two years earlier.

Within that, the share of exports directed towards the six Asean countries, China, Taiwan, Hong Kong and South Korea jumped from 24 percent in the second half of 1989 to 30 percent in the second half of 1991.

Exports to these 10 countries and areas now far exceed exports to Europe, the United States and Canada combined. Europe bought only 13.75 percent of Australia's exports in the six months, and the U.S. and Canada between them bought just 11.75 percent.

The figures heighten the feasibility of the government's plan to put Australia back on a high-growth path, as revealed in the economic statement released last week.

Critics of the statement have argued that Australia cannot afford high growth when Europe and North America are emerging only sluggishly from recession, as the trade balance will not keep pace with domestic growth.

But with Europe and North America now making up barely 25 percent of Australia's export markets, down from 31 percent two years ago, the argument loses much of its force. By continuing its export thrust into Asia, Australian business can avoid the repercussions of stagnation in the West.

The bureau figures show that this is what has happened in the past two years. Comparing the second half of 1991 with the same period of 1989, exports to Europe have already declined by 530 million U.S. dollars or 16 percent. Sales to the U.S. and Canada were up by only 108 million U.S. dollars or 4.7 percent.

But these losses were out-weighed six times over by the boom in exports to Asia, which jumped by 2.7 billion U.S. dollars or 26 percent in the same period, rising from 11.25 billion U.S. dollars in the second half of 1989 to 13.95 billion U.S. dollars in the second half of 1991.

#### **West Europe**

##### **German Paper Interviews Qian on Reforms, Ties**

*AU0203105192 Hamburg DER SPIEGEL in German 2 Mar 92 pp 164-166*

[Interview with PRC Foreign Minister Qian Qichen by an unnamed DER SPIEGEL reporter; place and date not given: "We Are Not Afraid"]

[Text] [DER SPIEGEL] Minister, after the demise of the Soviet Union, China is the world's only big socialist power. How long, do you think, will you be able to hold this bastion?

[Qian] First of all, I would like to say one thing: Socialism in the former Soviet Union was very different from Chinese Socialism. From 1959 to 1989, that is, for 30 years, we were not partners but opponents. We had a cold war and also a hot one....

[DER SPIEGEL] ...on the Ussuri River in 1969.

[Qian] The Soviet Union no longer exists. China, however, will continue to exist forever.

[DER SPIEGEL] After the collapse of the Soviet Union there is only one superpower left, the United States. The Americans are trying to use this position of strength to implement a new world order and to spread democratic principles. Can China resist this pressure?

[Qian] Yes, the United States is trying to control the rest of the world, even though it is disguising this as "leadership" [preceding term in English]. Nevertheless, there is no reason for triumph. The bipolarity is over, now the world is moving toward multipolarity. This development is unavoidable. A multipolar world is in the interest of peace and stability.

[DER SPIEGEL] Since the use of tanks against workers and students in Tiananmen Square on 4 June 1989 China has been ostracized by the world. The West is urging you to respect human rights. When will you give in?

[Qian] The West European states and the United States consider human rights the foundation stone of their foreign policy. But a state's human rights are guaranteed by the respective domestic laws. Therefore, human rights are the internal affair of each country.

[DER SPIEGEL] This principle of noninterference seems to be obsolete. China itself permitted interference in the internal conflicts in Iraq by abstaining from the vote on UN Resolution 688 against the persecution of the Kurds.

[Qian] The basis of all UN resolutions against Iraq was the attack on Kuwait. This was not interference in Iraq's domestic affairs. On the contrary: With its previous aggression, Iraq interfered in Kuwait's internal affairs.

[DER SPIEGEL] German-Chinese relations have also deteriorated drastically. Is this going to change as a result of your forthcoming visit to Germany?

[Qian] I am very pleased to have the opportunity of seeing a reunited Germany. China has always supported German reunification.

[DER SPIEGEL] After the violent end of the democracy movement in China the Germans have stubbornly

refused the normalization of bilateral relations. Will you bring a compromise to Bonn?

[Qian] We can speak to each other as equals and discuss everything frankly. Improving and developing Chinese-German relations is an advantage for both sides. It would be good if agreement could be achieved. If not, we can set aside our differences for the time being. But we will not allow ourselves to be pressured. This has already been tried without success, using economic sanctions.

[DER SPIEGEL] Why do you not make a gesture of reconciliation and issue an amnesty for political prisoners?

[Qian] Chinese law does not envisage amnesty. Our judicial authorities are dealing mercifully with many people who were involved in the uprising and have shown repentance. Most of them have been released, some of them have gone abroad. This is the Chinese judicial authorities' independent decision. We will not bow to pressure and we will go our own way. China will continue to exist. Countries like the United States, which, both at home and abroad, has itself infringed human rights many times, have no right to constantly point the finger at others. We are tired of facing such accusations.

[DER SPIEGEL] However, by joining the United Nations you committed yourself to respecting individual human rights.

[Qian] Human rights include many aspects: In addition to the citizens' political rights, all other states should recognize social, cultural, and economic rights that have been implemented in our countries—the right to life, development, and work, for instance.

[DER SPIEGEL] Minister, are you not in the dilemma that an economic liberalization, as is now again being proclaimed, entails the demand for political opening up?

[Qian] Economic and political reforms have been generally coordinated in our country. We began with the economy. If one only implements political reforms without economic ones, then this is a sure road to catastrophe.

[DER SPIEGEL] This is what Gorbachev tried.

[Qian] This is an example. You see what the result was.

[DER SPIEGEL] Thus, you do not think that Gorbachev is a great reformer?

[Qian] In judging a politician one must see the consequences of his actions. He said that he fulfilled his historic mission by giving the people freedom. But what use to the people is freedom without bread?

[DER SPIEGEL] Are you advocating bread without freedom instead?

[Qian] If there is bread and life is ensured, development and progress can grow from that. Where starvation prevails, there can be no talk of freedom.

[DER SPIEGEL] Mr. Qian, are you a Marxist?

[Qian] Even though Marx was a German, I believe in his teachings. But they must be applied to the specific situation in a country.

[DER SPIEGEL] As a good Marxist you should know that a change in the economic basis necessarily also changes the political superstructure. Does China not also have to grant the people more democracy to the extent to which it liberalizes its economy?

[Qian] We are sticking to economic reform and opening up toward the outside, and the superstructure will change accordingly. We are not worried about that.

[DER SPIEGEL] But the West is worried about the state of political reform. Market economy and dictatorship simply do not go together.

[Qian] Compare today's political situation in China with the Cultural Revolution more than two decades ago. Compared with this time, we have achieved great success. You obviously misunderstand our economic reform. We do not want to guide the development in the direction of capitalism but to learn about and make use of certain useful elements of capitalism in order to implement socialism in the Chinese mold.

[DER SPIEGEL] This is an empty formula. What would you like to take over from capitalism?

[Qian] You think that the market economy only belongs to capitalism and that the planned economy is a specialty of socialism. In reality, in capitalism, too, there is economic planning, and in Socialism there are markets.

[DER SPIEGEL] Are you a follower of the market economy?

[Qian] I am a follower of the planned market economy.

[DER SPIEGEL] What is that?

[Qian] The best possible application of the market economy, controlled by macroeconomic planning.

[DER SPIEGEL] This means that the share of the private economy in the Chinese national product is to continue to increase.

[Qian] Yes, I think so.

[DER SPIEGEL] Are you not underestimating the internal dynamism of capitalism? Will it not undermine socialism in the end? When you unite with the capitalist dragon of Hong Kong in 1997, can you be sure that it will not devour you in the end?

[Qian] This danger would exist only if we had an ossified socialism of the kind that existed in the Soviet Union in the past. But socialism in the Chinese mold will continue to exist.

[DER SPIEGEL] Is it not also ossified socialism when you throw political opponents into prison or shoot them, as on 4 June?

[Qian] It is true that there are dissidents in China, but that does not mean that they are in prison. Most of them live abroad. In China nobody is in prison for thinking differently, but rather for infringing criminal law.

[DER SPIEGEL] Tens of thousands of young intellectuals are studying abroad, in particular in the United States. When they return to China with their experiences, they will spread the virus of democracy.

[Qian] The influence of these students is limited. Even if there are tens of thousands of them, they are only a small minority in China.

[DER SPIEGEL] On 4 June 1989 in Tiananmen Square this minority caused you big problems.

[Qian] We are not afraid. You can see this from the fact that we continue to let young people go abroad. We cordially welcome those who return home. It is also possible for them to stay abroad. They are granted free entry and exit. China does not want to slam the doors shut.

[DER SPIEGEL] What has priority in your view: freedom or order?

[Qian] Disorder does not mean freedom.

[DER SPIEGEL] Your neighbors to the north, the citizens of the old Soviet Union, obviously have a different view. You had just made arrangements with the Soviet Union. In 1989 the then Soviet state and party chief Mikhail Gorbachev visited Beijing....

[Qian] ...and in 1991 our General Secretary Jiang Zemin went to Moscow. During this visit we normalized our relations.

[DER SPIEGEL] This was your personal success after five years and 10 rounds of negotiations. Now you have suddenly lost this partner. Do you feel satisfaction at the collapse of an old opponent?

[Qian] One does not lose a neighboring country. Because of God's will, Russia is our neighbor, and this remains so. After Russia declared itself independent, we came to an understanding that we will continue the normalization of our relations on the basis of the two Chinese-Soviet communiques of 1989 and of 1991.

[DER SPIEGEL] A number of new Muslim states are developing out of the remnants of the Soviet Union along your border. Should you not be afraid that this Islamic independence movement will spread to the Muslims in your country more strongly than it has so far?

[Qian] We are against the fundamentalists' attempts to restructure the world in line with their religious ideas.

[DER SPIEGEL] China is a permanent member of the UN Security Council, to which other big states, such as Japan or Germany, do not belong. Are you in favor of accepting these two states into the Security Council?

[Qian] The United Nations is gaining more and more importance. In view of the changed international situation reforms are necessary. We do not have any prejudices. However, one should act very carefully as regards reforms and ask the opinions of the member countries. So far this issue has not been broached officially. Therefore, we have not made an official statement.

[DER SPIEGEL] In the past China considered itself as the leader of the Third World. Then China seemed to develop into the third superpower beside the United States and the Soviet Union. How do you see your country's future role in international politics?

[Qian] We are the world's most populated country and a big power. But we are not striving for the role of a superpower or of a Third World leader. We are for equal rights for all states, be they big or small, strong or weak, rich or poor.

[DER SPIEGEL] Minister, thank you for this interview.

### East Europe

#### Hungarian Workers' Party Leader Pays Visit

##### Opposes 'Restoration of Capitalism'

LD0303034592 Budapest Kossuth Radio Network  
in Hungarian 1900 GMT 2 Mar 92

[Text] Gyula Thurmer, chairman of the MSZMP [Hungarian Socialist Workers' Party], is holding talks in Beijing. The delegation of the MSZMP has arrived in the Asian country at the invitation of the Communist Party of China. A leading Beijing paper writes about the MSZMP with sympathy. As the review writer establishes, this party opposes the restoration of capitalism in Hungary and its ultimate aim is to get into parliament in the 1994 elections as a strong workers' party.

##### Song Ping Receives Delegation

OW0203122692 Beijing XINHUA in English  
1203 GMT 2 Mar 92

[Text] Beijing, March 2 (XINHUA)—Song Ping, member of the Standing Committee of the Political Bureau of the Chinese Communist Party (CPC) Central Committee, met with a delegation from the Hungarian Socialist Workers' Party (HSWP) [MSZMP] at the Great Hall of the People here this afternoon.

The delegation is headed by Chairman of the HSWP Gyula Thurmer.

During the meeting, Song extended a welcome to Thurmer and his party. They had a friendly conversation and briefed each other on the domestic situation of their respective countries.

Thurmer and his party arrived here on February 29 on a visit at the invitation of the Chinese Communist Party.

On the day of their arrival, Zhu Liang and Li Shuzheng, head and deputy head of the International Liaison Department of the CPC Central Committee, held talks with the delegation.

#### Article Reports on Fighting in Albania

##### 'Turbulent Situation' Spreads

OW0203100392 Beijing XINHUA in English  
0843 GMT 2 Mar 92

[“Turbulence Starts Afresh in Albania (by Li Jiyu)”—XINHUA headline]

[Text] Tirana, March 1 (XINHUA)—Massive turbulences emerged in several Albanian cities in the past week have created new tension in the country.

According to Albanian television, in the cities of Pogradec, Lushnje and Peqini thousands of people, including some policemen stormed and robbed industrial stores, shops, foods and beverage factories and hotels. The turbulent situation then spread to schools and railway stations, paralyzing food supply in those cities.

It said the stores were burnt to debris after being plundered empty. Television news reports indicated that people even took home the bricks from the burnt-down walls of the stores.

At least five people were killed and dozens of others injured in the turbulences, according to the TV reports.

Besides, thousands of people rushed towards the Durresi Bay last Thursday and Friday in an attempt to board ships there to leave the country. Foreign ships had to leave the port to avoid an incident.

Facing the turbulences, people worried about their expansion to other places and further worsening of the situation.

The Albanian press said that strong discontent with bureaucracy and food shortages in the market coupled with overstocking might have constituted one of the direct reasons for the turbulences.

To cope with the tension, the Albanian Government called a special meeting last Thursday. At the meeting Chairman of the Council of Ministers Vilson Ahmeti instructed the public security forces and military troops to take resolute actions to calm the situation in these cities and prevent similar incidents from occurring.

Investigations on the cities' turbulences have already begun. More than 50 people have been arrested in Lushnje alone. All political parties in the country have expressed their support for the government in its fighting against the riots.

**'Stern Action' Against Rioters**

*OW0303025392 Beijing XINHUA in English  
0231 GMT 03 Mar 92*

[Text] Tirana, March 2 (XINHUA)—The Council of Ministers of Albania today authorized the security army and local governments to take swift and stern action to punish rioters.

In a statement, the council called on judicial organs, in coordination with the army and local governments, to take various measures to prevent the reoccurrence of looting in the country.

Since the second half of last month thousands of rioters have stormed and robbed food warehouses and shops in the cities of Sarande, Pogradec, Lushnje and Peqini. The turbulent situation then spread to schools and railway stations.

Stores have been burnt to the ground after being picked to the bone.

These incidents, which have caused heavy losses to the country and individuals, have not only sabotaged social security and order, but also increased political tension before the general election scheduled for March 22, the statement pointed out.

The statement also called on all political parties and trade unions as well as social and religious organizations in the country to make efforts to put an end to the chaos.

## Political & Social

### Li Peng Addresses State Council Plenary Session

OW0203170792 Beijing XINHUA Domestic Service  
in Chinese 1344 GMT 2 Mar 92

[By Liu Zhenying, reporter for the Central People's Radio Network and XINHUA reporter Sun Benyao (1327 2609 1031)]

[Text] Beijing, 2 March (XINHUA)—The 13th Plenary Session of the State Council was held today in Beijing. Premier Li Peng pointed out at the meeting that we should seize opportunities at home and abroad to speed up reform and opening up and concentrate efforts on expediting economic construction.

During the plenary session, Gan Ziyu, vice minister in charge of the State Planning Commission, gave a report on the nation's economic situation; Tian Zengpei, vice minister of foreign affairs, gave a report on the international situation and foreign affairs; and Yuan Mu, director of the State Council Research Office, explained the view-soliciting draft of the "Government Work Report."

Premier Li Peng chaired the meeting. He made a speech after hearing these reports. He said: The nation's economy has maintained good momentum in development this year. The 20 measures which the Central Working Conference drew up for rejuvenating the nation's large and medium-sized enterprises are being carried out gradually, and initial successes have been achieved. Industrial production is making progress and economic performance is improving. People in rural areas in various parts of the country have been building large-scale water conservation projects and are embarking on spring plowing and planting, following the guidelines of the Eighth Plenary Session of the 13th CPC Central Committee. But we must remain soberly aware of the fact that we still have many economic problems which must be dealt with through deepening reforms. Some parts of the country have been hard hit by drought; relevant departments and the stricken areas make take effective measures to combat the onslaught and minimize damage.

Li Peng said: The country's three-year project of improving the economic environment and restoring the economic order has been basically accomplished, and the nation's economic development is normalizing. The success of economic readjustments should be attributed to our decade-long reform and opening up endeavor. We have upheld the reform and opening up policy during the economic readjustments for a more important reason, namely creating conditions facilitating further reform and opening up. Deepening reforms and opening wider to the outside world are essential for developing the economy, expediting social progress, and building a socialist society with Chinese characteristics.

Li Peng said: Following the Third Plenary Session of the 11th CPC Central Committee, the central authorities have drawn up a series of general and specific policies and measures for reforms, opening up, and economic development. The people have also gained a lot of precious experiences while carrying out reforms and opening up to the outside world. The key issue now is to put these experiences into practice. Doing our work with great resolve is most important. While carrying out reforms and opening to the outside world, we should establish our footing in our actual situation, explore actively, experiment boldly, and sum up experiences promptly, actively popularizing those which are successful. Li Peng said: We should have the ambition to boost our economy to a new high once every few years. Of course, we must do our work firmly, underscore results, and pay attention to steady and coordinated development.

Li Peng pointed out: While restructuring the economic system, we should concurrently carry out supportive political reforms. One important issue is that of restructuring government organs. We must continue to simplify these organs. The key issue is to change their functions. The government's priority is to take charge of macroscopic regulation and control to make sure that enterprises can genuinely gear their operations to market needs.

Li Peng said: The fifth sessions of the Seventh National People's Congress [NPC] and the Seventh National Committee of the Chinese People's Political Consultative Conference [CPPCC] will be held soon. The people's congress system is a basic political system in China. Making constant efforts to improve this system, as well as the system of multiparty cooperation and political consultations under CPC leadership, is an essential aspect of China's socialist democratic system, and so we must attach great importance to the NPC and the CPPCC meetings. All localities, departments, and committees must properly organize their personnel to discuss the view-soliciting draft of the "Government Work Report" and earnestly express their views on parts of the report that might be revised. Li Peng also urged principal leaders of all State Council departments and committees to schedule their work properly for the period when the NPC and CPPCC meetings take place, saying that they should not take any business trips unless it is absolutely necessary so that they can give their full attention to the meetings.

Present at today's meeting were Yao Yilin, Tian Jiyun, Zou Jiahua, Zhu Rongji, Qin Jiwei, Wang Bingqian, Li Guixian, Chen Xitong, Chen Junsheng, Qian Qichen, and other State Council personnel.

Present at the meeting as observers were leading members of relevant departments of the CPC Central Committee, the State Council, and the Central Military Commission; leading members of relevant departments of the NPC and CPPCC; leading members of the

Supreme People's Court, the Supreme People's Procuratorate, the All-China Federation of Trade Unions, the Communist Youth League Central Committee, and the All-China Women's Federation; leading members of all democratic parties, and the All-China Federation of Industry and Commerce; and personnel without party affiliations.

### **Expert Reveals Alterations of Historical Documents**

*HK0203135792 Hong Kong HSIN WAN BAO  
in Chinese 26 Feb 92 p 4*

[“Special Article” by Wen Po (2429 3134), HSIN WAN PAO special correspondent: “Falsification of Historical Documents Brings Serious Consequences”]

[Text] Beijing, 26 Feb (HSIN WAN BAO)—Xiao Guidong [5618 6311 3159], a noted expert on cultural relics from Beijing, recently published an article in the ZHONGGUO WENWU BAO [China Cultural Relics Journal 0022 0948 2429 3670 1032] in which he revealed how he was ordered to doctor dozens of reproductions of historical documents before, during, and shortly after the Cultural Revolution. He also called on museums to stop using the doctored reproductions of historical documents in order to avoid tainting their reputations, as well as causing unnecessary trouble to historical research.

### **Under Orders to Make Alterations**

The article stated: Different methods and techniques like “shifting characters,” “insect-induced deterioration,” “substitution,” and “cover-up” are used to falsify reproductions of historical documents where names and positions of certain persons and certain events are interchanged, altered, erased, added, moved, and transplanted onto the reproduced copies. Because of the highly skillful techniques used, the changes are not easily detectable by professionals, let alone laymen.

One instance he cited was the reproduction of the Number One “Circular of the Provisional Central Government of the Chinese Soviet Republic” of 7 November 1931, which was altered several times. Before 1959, the names of Zhang Guotao [1728 0948 3614], Xiang Ying [7309 5391], and others were deleted; in 1960, the name of Peng Dehuai was erased; in 1970, Lin Biao’s name was moved from 24th place to second place. All these alterations also created a fairly big change to the roster of the central executive council.

Another example was the “signature book of attendance at the first session of the First National People’s Congress” in 1954. The original copy carried the names of Mao Zedong, Zhu De, Zhou Enlai, Chen Yun, and Liu Shaoqi, but the latter’s name was deleted in the reproductions.

The original copy of the “Central Leadership’s Review and Approval of the Science Commission’s Report” had the names of Jiang Qing, Wang Hungwen, and others,

but these were erased in the reproductions. The positions of other names were also modified.

### **Deletion of Names and Changing of Positions**

As the writer recalled, varying degrees of alterations and modifications basically happened to people who were “brought down” at that time, or to events which were “repudiated” then.

According to the author, he recently discovered that some falsified reproduction copies have not been destroyed, and that some are still in circulation and in use, while others are even on sale or on display. He cited two cases:

### **Still in Circulation**

I. Reproductions of the famous poem, “Turning East as the Song of the River Ends” [da jiang ge ba diao tou dong 1129 3068 2960 5007 2220 7333 2639], written by Zhou Enlai in March 1917, are still on sale in bookstores. The original version carries a 70-character notation: “Written when I went east at the age of 19, having loitered around and failed the imperial examinations, and returning home... in March, the eighth year of the Republic of China [1919]”, as well as three stamps at the start and the end of the poem. It also measures 91.5 cm in length and 30 cm in width. However, the reproductions not only erased the notations and the stamps, they also reduced the size to 47 by 30 cm. They also deviated from the original layout, and were printed based on a touched-up, photographed copy.

II. In the reproduction of the “Declaration by the Central Government of the Chinese Soviet Republic and the Revolutionary Military Commission of the Chinese Workers’ and Peasants’ Red Army on the Northern Expedition of the Red Army” of 15 July 1934, the two characters after the names of Zhang Guotao and Wang Jiaxiang [3769 4471 4382] were blotted out with ink. This reproduction is still on display in some museums.

The writer pointed out that the continuing circulation and use of these falsified reproductions has serious implications for it distorts history, leaves later generations with a wrong impression, brings unnecessary trouble to research, and also affects the reputation of museums. He believed that the continuing circulation and use of these altered reproductions can be attributed to the following: (1) The manufacturers of the reproductions have failed to clear up the chaos, and have continued to supply and distribute the doctored copies. (2) Units using these copies have either failed to examine them carefully or could not see the differences; hence the continued use of these copies.

Because they are products of an extraordinary period in history, it is not possible to make anyone accountable for them. Besides, they are not the handiwork of a single person.

### Thorough Clarification and Investigation

The writer suggested that one way to stop the continuing circulation of these copies is a thorough housecleaning, particularly by manufacturing units, appropriate handling of the matter, and notification of units about the need to destroy the doctored reproductions.

### Qiao Shi Urges Marxist Approach to Reform

OW0203222092 Beijing XINHUA Domestic Service  
in Chinese 1016 GMT 2 Mar 92

[By Central People's Broadcasting Station reporter Tian Shanchuan (3944 1427 1557) and XINHUA reporter He Ping (0149 1627)]

[Text] Beijing, 2 March (XINHUA)—At an opening ceremony of the Central Party School today, Qiao Shi, member of the CPC Central Committee Political Bureau Standing Committee and president of the Central Party School, stressed: When studying Marxism, it is necessary to pay attention to connecting theories with reality and to oppose book worship. We should work hard to use Marxist basic theories to resolve actual problems in Chinese society, particularly the new problems arising from reform and opening up.

Qiao Shi pointed out: Comrade Deng Xiaoping repeatedly stressed that seeking truth from facts is the essence of Marxism and that practice is the only criterion for examining the truth. Regardless of whether we are engaged in past combats, current construction, or reform, we should persistently adhere to this requirement. While studying at the party school, all comrades should, in accordance with this requirement and on the premise of building socialism with Chinese characteristics, study Marxist basic theories and master the ability to use the Marxist positions, viewpoints, and methods to analyze and resolve actual problems. He urged: Bearing in mind the reality that China is rapidly promoting construction and reform, it is necessary to earnestly study, thoroughly research, and completely understand the essence of the party's basic line, and to strive to implement the party's basic line so as to greet the opening of the 14th CPC Congress with realistic actions.

Xue Ju, vice executive president of the Central Party School, also spoke at the opening ceremony. He said: This year, the 50th anniversary of the Yan'an Rectification has great historic significance. While studying at the party school, we should promote the spirit of the Yan'an Rectification. In other words, we should self-consciously combine the study of Marxist theories with the strengthening of party spirit, and transformation in our world outlook; we should, in particular, promote the good scholastic habit of combining study and application, as well as matching words and deeds in order to further temper our party's character.

Xing Bensi, vice president of the Central Party School, chaired the opening ceremony. Attending the ceremony were responsible persons of the relevant departments

including Chen Zuolin, Lu Feng, Xu Weicheng, Xu Ruixin, and Zheng Keyang, and more than 3,000 students from branches and departments of the Central Party School.

### Scholars Assert Qing Sovereignty Over Tibet

OW0203140892 Beijing XINHUA in English  
1334 GMT 2 Mar 92

[Text] Beijing, March 2 (XINHUA)—Tibet was not simply a protectorate China [passage as received] during the Qing Dynasty (1644-1911), but, in fact, the central government of China held complete sovereignty over the Himalayan region as early as the 13th century.

Two young scholars, Guo Qing from the Central Nationalities Institute and Zhang Zhirong from Beijing University, made these assertions today in Beijing during an interview with XINHUA.

While certain foreigners have recently said that a protectorate relationship existed between China and Tibet after the 18th century, the two young scholars asserted that "the sovereignty of the central government of the Qing Dynasty over the region cannot be denied."

They said that the sovereignty of the Qing Dynasty over Tibet is not only be shown by the fact that the central government sent officials to Tibet to enforce order, but also because the central government established special departments to administer political affairs in the region.

The scholars pointed out that since the mid-13th century when Tibet became a part of China, the central governments of the Yuan, Ming and Qing dynasties exercised sovereign rights over the region. Such sovereignty was further verified by the establishment of postal services and the governments effort to conduct a regularly scheduled census in Tibet.

Relations between the Qing emperors and the fifth Dalai Lama were identical to the relations between a monarch and his subjects, according to the scholars.

"The fifth Dalai Lama was merely the religious leader in the region, and the right to govern lay with the central government of the Qing Dynasty."

The existence of these relations is clearly shown by the fact that the ministry in charge of affairs in border regions, including Tibet, was established during the Qing Dynasty.

In 1727, the ministerial level officials sent to Tibet by the Qing Government were charged with administering the region's political affairs. "Their rights regarding the administration of Tibet were regarded as supreme," according to the scholars.

Somewhat later, in 1793, the forces of Qing Emperor Qian Long quelled an attempted invasion of Tibet by

foreign forces, after which he drafted a 29-article charter which clearly demonstrated the sovereignty of the Qing Government over Tibet.

The charter verifies the political status of Qing Dynasty officials in Tibet, as well as the rights of Tibet to carry out foreign affairs, practice religion, and engage in finance and economics and trade. The charter also covers the legal system of Tibet.

The scholars stressed that "the purpose of the charter was to verify the political status of the Qing Dynasty in Tibet."

International law stipulates that sovereign rights are characterized by exclusiveness—meaning these rights cannot be subordinated by foreign interference.

In view of the prevailing situation when the 29-article charter was put into effect the Qing Government was highly exclusive and anti-foreign in exercising its sovereignty over Tibet.

The charter, an important historical document which records the sovereignty of the central government of China over Tibet in ancient times, undeniably proves the central government's complete political rule over the region according to the law.

### **RENMIN RIBAO on Fighting Pornography**

*HK2902054392 Beijing RENMIN RIBAO in Chinese  
17 Feb 92 p 5*

[Article by Liu Zhanfeng (0491 0594 6912): "Thoughts on Further Cracking Down on Illegal Publishing Activities"]

#### **[Text] I. The Status Quo of Illegal Publications in China**

Conspicuous results have been scored in the nationwide intensive "antipornographic" drive which has been conducted once a year since the Fourth Plenary Session of the 13th CPC Central Committee, and the seriously chaotic publication market has been initially cleaned up. However, after every intensive annual antipornographic drive, activities to produce and sell pornographic products and illegal publications always resume very soon, or even boom in some places, turning out to be a kind of sharp political struggle in some cases. As compared with those produced in 1987, in terms of content, today's illegal publications have been enriched to include not only stories about fighting and murder but also obscenity, pornography, superstition, or even undisguised slander against and repudiation of the CPC and the socialist system. In terms of the means of publication, the operation which was confined to unlicensed profit-oriented publishers in the past has now been expanded—a large quantity of pornographic and illegal publications have been produced and marketed in the name of "joint projects" involving official state publishing houses which are to secure the serial numbers for

the publications concerned, in the name of certain official state publishing houses without their prior authorization, or simply in the name of a fictitious publisher or printer. Meanwhile, the readership has expanded to include not only jobless individuals and young people but also college students, secondary school pupils, and civil servants. While corroding the minds of the public, especially young people, and poisoning the general social mood, these publications give unbridled publicity of views for bourgeois liberalization, thus undermining people's faith in the four cardinal principles. The harmfulness of these publications must not be underestimated as their influence is extending to a larger readership of higher strata.

Surveys of cases in different localities show that present illegal publication activities have the following special characteristics: 1) The business is run in secret by criminal rings. The operation was mainly run on an individual basis in the past, but now it is run by criminal rings instead. Nowadays almost every major and important cases may involve some secret coordinators who keep in touch with several—10 or 1000—individuals to form underground secret networks. Ring members share duties between them, they run the business in a planned way, follow some set guidelines, contact each other by countersigns, and are subject to disciplinary actions—the whole operation is like what is practiced within a secret society. 2) They do not hesitate to offend the authorities by mean tricks. Ring members may usurp the names of publishers, printers, and distributors to sidestep inspection. Some criminal rings have even cheated with forged official seals and documents. Criminals involved in a major cases cracked in Kaifeng city, Henan Province, were found to have produced spurious official documents with forged official seals of Henan Province's press and publications bureau, Gansu Province's press and publications bureau, Beijing Huawen Publishing House, Gansu People's Publishing House, and so on, with a view to producing and selling pornographic products. 3) They have used lavish bribery to seek an "umbrella" in administrative or law-enforcing organs, so that they can collaborate with officials in their unlawful business. The principal convict of an exceptionally serious case of production of pornographic books discovered in Kaifeng city, Henan Province, is a wanted criminal who had absconded and carried on his criminal activities with a forged identity card supplied by a certain public security organ. The convict of an exceptionally serious case of illegal publication was formerly a young worker on no pay leave. But he had secured press cards from a few publishing houses and held many titles ranging from reporter to chief or deputy chief editor. Some publishing houses have even issued forged or false certifying documents to illegal book merchants. The above special characteristics require us to step the operation against illegal publication activities.

#### **II. The Reasons Why Illegal Publications Still Survive Despite Repeated Bans**

Why can illegal activities of producing and selling pornographic publications survive despite repeated bans? In

light of the practice in the antipornographic operation, I think this can be attributed to the following factors:

First, driven by ideological infiltration by Chinese and foreign hostile forces in this country and tempted by illegal colossal profits, those engaging in illegal publication operation has formed a contingent of editorial, printing, and distributing personnel who are beyond the state's control and are opposed to the government. An important means used by Chinese and foreign hostile forces in their attempt to enforce the peaceful evolution strategy against socialist countries is ideological infiltration, and an important channel for such infiltration is the mass media. Since we have carried out an operation to conscientiously screen and consolidate official state publishing organizations, they are forced to seek agents from among other publishers and distributors that are beyond state control in order to sell bourgeois cultural garbage and preach bourgeois outlook on life, values, and degenerate life style through mass media, thus corroding and poisoning the public, especially young people. On the other hand, illegal colossal profits that production of illegal publications' promises encourage unlawful elements to take the risk. The combination of these two aspects has rendered the activities of producing and marketing pornographic products and illegal publications an obvious political struggle. The protracted nature of the struggle against peaceful evolution determines that our struggle against the activities of producing and marketing pornographic products and illegal publications will be a long term endeavor.

Second, some comrades who are not adept at approaching an issue from the political point of view cannot see clearly the harmfulness of the activities of producing and selling pornographic products and illegal publications; in addition, some localities or units have given much consideration to their own economic interests. Therefore, it has been found that in some localities, "cases are simply ignored or cases that have been placed on files for investigation are not properly attended to, a fine or warning is used to replace penalty, and those who have committed severe crimes are treated leniently." The practice in the struggle against pornographic and illegal publications in various localities shows that some administrative organizations have treated activities of producing and selling pornographic products and illegal publications merely as cases of breach of administrative laws and regulations; when handling this kind of case, they usually impose fines; even some cases which are serious enough to be treated as criminal cases have not been submitted to the judicial department. On the other hand, some judicial organs seldom show the initiative in accepting cases, placing them in record files, and conducting investigation, as they think investigating this kind of case will be very difficult and involve high costs and much time. Two exceptionally serious cases cracked by Kaifeng city involves several veteran criminals engaging in production and selling of pornographic products in Henan and other provinces. Most of these culprits had been caught by local administrative or judicial

organs before, and all of them were released after they paid fines. Criminals like them always take up their old trade again as soon as it is possible for them to do so.

Third, our system of laws and regulations which is not complete and sound cannot suit the needs of the operation against pornographic products and illegal publications. In the past few years, the National People's Congress, the Supreme People's Court, and the Supreme People's Procuratorate promulgated a series of laws and ordinances, and released some judicial interpretations, providing a legal basis for the operation to deal blows at the criminal activities of producing and selling pornographic products and illegal publications. However, because of lack of supporting concrete laws and ordinances, it is difficult to enforce some laws and ordinances. The case of trade in certificates for publication serial numbers is a good example. According to the Press and Publication Agency's regulations, as far as trade in certificates for publication numbers is concerned, cases involving publishing houses at the provincial level shall be handled by the press and publication bureau of the province concerned, while cases involving publishing houses at the central level (including those subordinate to all the ministries and state commissions) shall be handled by their superior department or by the Press and Publication Agency. This being the case, those organs at lower levels do not have the authority to handle cases they discover, while those organs at the higher levels with the authority can hardly discover any cases, or they may sidestep the issue for different reasons.

Fourth, although administrative organs are vested with authority, they do not have to assume any responsibility. As a result, some administrative departments have given preference to economic concern, some have even taken the lead in engaging in illegal publication, violating the law although their duty is to enforce the law. For example, a bookstore subordinate to a certain city press and publication organ has not only acted as the sole distributor of illegal publications, but also as an agent to buy certificates of publication serial number for others and print and distribute illegal publications for others, with a view to reaping colossal profits. The bookstore's malpractice was once exposed in another city. Its superior department refused to punish the bookstore according to the law, but stepped forward to cover up the case and tried to stop others from investigating it.

Fifth, because of the lack of a sound administrative structure, market administration can only be enforced through occasional inspection, and a regular administrative system with clearly defined duties is unavailable. At present, most localities below the prefectoral and city level do not have their own independent press and publication administrative organs. Some have attached their press and publication administrative organs to their cultural departments or placed them under the party propaganda departments. Some counties and prefectures just do not have any official routine administrative organs to control their publication markets, and they usually assign a couple of officers to undertake the duty.

Such a situation is far from meeting the needs of ever-increasing work load regarding administration.

### **III. Policies and Measures To More Strongly Fight Illegal Publications**

How can we carry out the struggle against pornographic products and illegal publications further in depth? This involves the need of enhancing understanding and the tasks of developing a sound system of laws and ordinances, improving the administrative structure, and strengthening supervision. Only by dealing with both the root cause and symptoms and carrying out comprehensive management will we be able to ensure the success of the struggle against pornographic products and illegal publications.

First, we must see, from the political high plane, the great harmfulness of the activities of producing and selling pornographic products and illegal publications and the urgent need for thoroughly wiping out illegal publications. We must earnestly take this struggle as an important part of the struggle against bourgeois liberalization and "peaceful evolution," and view it in light of the need for consolidating the people's democratic dictatorship and creating a good social and cultural environment for the development of socialism with Chinese characteristics. There must not be any slackness and any perfunctory attitude. We must cultivate a powerful public opinion against pornographic products and illegal publications by every means of propaganda and education.

Second, to cope with the activities of producing and selling pornographic products and illegal publications, we must carry out comprehensive management under the leadership of party committees at all levels. All cases of criminal elements who have engaged in illegal publication and whose acts constitute a crime must be promptly submitted by administrative organs to judicial organs for investigation. Judicial organs must correctly understand the spirit of the relevant laws—"so long as the basic facts are clear and the basic evidences are proved to be accurate, the case shall be dealt with seriously and promptly"—and start legal proceedings against criminal elements according to law. The handling of such cases must never be delayed because of any minor problems. Judicial organs must strengthen coordination and cooperation, always deal head-on blows at major criminals, recidivists, and abettors involved in the activities of illegal publication, and mete out severe penalty to those who deserve it. Procuratorial organs must earnestly strengthen judicial supervision. In case the department concerned does not submit a case where the offense constitutes a crime, the procuratorial organ should make a suggestion urging the department concerned to start legal proceedings according to law and to promptly take remedial measures. In case of wrong verdicts, great discrepancy in penalties between different cases, and inappropriate application of clauses of laws, the procuratorial organ must lodge a counterappeal, and make every effort to prevent the practice of "replacing

penalty with fine, turning a blind eye to criminal cases, and treating serious criminal cases leniently."

Third, it is necessary to reform the administrative structure, develop sound administrative organizations, and change the administration of the publication market from an "occasional" to "regular" basis. In order to maintain the authority of the publication administrative organ, the operation sector must be separated from the administration sector, and the economic link between the administrative organ and the publisher or the publication dealer must be cut off. At the same time, it is necessary to implement the principle of integration of "duties, power, and interests" to administrative organs—those who have a good job should be commended, while those which are derelict of duties and have thus caused losses to the public should be held responsible for their faults. Now that the activities of producing and selling pornographic products and illegal publications are still rampant and the situation in the publication market has not been substantially improved, all localities must establish strong and efficient organizations to undertake coordination and investigation, while establishing and improving their press and publication administrative organs. In 1987, Kaifeng city set up a leading group in charge of the operation against pornographic products and illegal publications, with a city party committee deputy secretary, a member of the city party committee standing committee and concurrently secretary of the city political and legal committee and director of the propaganda department, and the vice mayor in charge of cultural and education affairs as its head and deputy heads. The leading group is staffed with officials in charge of all the departments concerned directly under the city authorities. Under the leading group is a "joint office" formed by officials from the propaganda, public security, procuratorial, judicial, industrial and commercial administration, cultural, and broadcasting and television departments, which exercises the administrative authority over the publication market on behalf of the city party committee and government, and takes charge of the organizing, coordinating, and investigating operation in fighting pornographic products and illegal publications.

Fourth, it is necessary to further improve laws and ordinances related to the press and publication, and put the administration of the press and publication on a legal basis. As far as routine press and publication administration is concerned, it is necessary to keep the four sectors, namely, publication, printing, distribution, and shipment, under strict control. With regard to publication, it is necessary to strictly enforce the discipline governing publication, the book topic examination and approval system, and all the regulations governing publication; official state publishing houses shall not arbitrarily change book titles, and shall not sell or sell in a disguised form publication serial numbers, journal serial numbers, and edition numbers under any pretexts. Those who violate these regulations shall be severely

punished. With regard to the printing stage, it is necessary to continue to conscientiously enforce the publication printing license system and the system of selected printers for specific categories of books and to implement the annual license renewal system, so as to effectively stop illegal copying, printing of extra copies, and printing of books without license. With regard to distribution, it is necessary to give full play to the role of the state-run Xinhua Bookstore as the main distribution channel, conscientiously screen and consolidate the collective and individual distributing firms, keep under strict control the book purchasing channels available to collective and individual book distributors, relocate mobile industrial book stalls in book markets, and thus bring them under the government's effective administration. With regard to shipment, it is necessary to implement the state regulations concerned, namely, for all publications to be consigned or mailed in batch, certifying documents shall be inspected by the railway or bus station, port administration, airport, and postal office when the goods are shipped and collected.

Fifth, it is necessary to develop an extensive public supervision mechanism, and give full play to the masses' initiative in administration. Like other tasks, the operation against pornographic products and illegal publication needs the active involvement of the broad masses, without which nothing can be accomplished, no matter how sound the administrative organs are and how competent the administrative staff is. Only when the broad masses are mobilized will it be possible to expose all the criminal elements engaging in the activities of producing and selling pornographic products and illegal publications. It is necessary to give full play to the initiative of retired veteran cadres, experienced teachers, and old workers, and to organize them to play a part in censoring publications and administering the market. For the time being this is particularly important as the existing administrative organs are unsound and understaffed.

#### Vice Security Minister Calls For Crime Crackdown

*OW0303053792 Beijing Central Television Program  
One Network in Mandarin 1100 GMT 2 Mar 92*

[Announcer-read report from the "National News Hookup" program]

[Text] Today, Vice Public Security Minister Yu Lei issued a statement on stepping up efforts to take comprehensive measures to maintain public order. [Video shows caption: "Yu Lei Issues a Statement on Stepping up Efforts To Take Comprehensive Measures To Maintain Public Order"] He said: In the past year, public security organs have made efforts in all aspects of the campaign to take comprehensive measures to maintain public order and contribute to maintaining the basic stability of the overall situation of bringing social order nationwide under control. The number of criminal cases in all areas is tending to become less. Public order, which used to be in disarray in some areas, is beginning to take a turn for the better. The mechanism for preventing

crimes and maintaining public order in society has been improved, which facilitates implementation of various measures adopted to bring social order under comprehensive control.

Yu Lei pointed out: Generally speaking, public order in our country is stable at present. He called for an even more thorough investigation of criminal cases as well as the seamy side of society, and a more effective crackdown and ban on them. He said: They must not be allowed to spread unchecked. We need to continue to do a good job of organizing the struggle against robbery and theft, and use the successful results achieved in this endeavor as a breakthrough to promote the campaign to take comprehensive measures to maintain public order.

#### Central Social Order Commission Issues Circular

*OW0303042392 Beijing Central Television Program  
One Network in Mandarin 1100 GMT 2 Mar 92*

[Announcer-read report from the "National News Hookup" program]

[Text] The Central Commission for Comprehensive Control of Social Order issued a circular recently which called on all areas and departments to launch wide-ranging propaganda activities in a variety of forms to make the important significance and basic requirements of taking comprehensive measures to maintain public order known to every household; and to cause deep-rooted impressions in the hearts of the people on the occasion of the first anniversary of the promulgation of the resolution adopted by the Standing Committee of the National People's Congress on improving the work of taking comprehensive measures to maintain public order. [Video shows caption: "The Central Commission for Comprehensive Control of Social Order Issues a Circular Calling for a Vigorous Campaign to Take Comprehensive Measures to Maintain Public Order"] The call is aimed at further strengthening all departments' and all citizens' sense of rule by law, and promoting the progress of various tasks in connection with the drive to take comprehensive measures to maintain public order in an all-around way.

#### University Enrollment To Increase in 1992

*HK0203084092 Beijing CHINA DAILY in English  
2 Mar 92 p 3*

[By staff reporter Zhang Lin: "University To Expand Enrollment This Year"]

[Text] China's 1,000-plus universities and colleges will enroll 626,000 students this year, an increase of several thousand over last year, CHINA DAILY learned.

Priority will be given to ensuring the enrollment of the best talents into such key disciplines as teacher training, agriculture, forestry, mineral mining and hydro-power construction.

This was disclosed at the National Working Conference on Enrollment of College Students now in session in Shenyang city, Liaoning Province.

Only those who hold high school graduate diplomas, have passed the standardized college entrance examinations scheduled in July and are deemed morally, intellectually and physically fit may be admitted to institutions of higher learning, said an official from the State Education Commission in charge of enrollment in schools of higher learning.

He said China's universities and colleges are expected to concentrate on improving school conditions and teaching efficiency while expanding enrollment in a controlled way.

The State Education Commission will push ahead the reform of enrollment system to gradually increase the percentage of employees and farmers with practical experience taking undergraduate or even post-graduate courses, the official said. And Hunan, Hainan, Yunnan provinces and Shanghai Municipality will continue their experiment in the reform of high school graduation exams and college entrance exams.

Last year, more than 2.95 million applicants took the national entrance exams for colleges that admitted nearly 620,000 freshmen.

Among them, 50,000 were admitted from the four provinces and municipalities that were experimenting with new entrance exams different from the unified national test.

The new enrollment procedure to be carried out nationally within the next few years is designed to gradually set up a scientific standard for evaluating high school graduates and improving the quality of high school education, the official said.

In recent years, there has existed a de facto practice of putting undue emphasis on the proportion of students entering schools of higher education at the expense of overall development of teaching students employable skills.

Thus the target of the entire high school education has been to pass college entrance exams. A high school graduate who wanted to apply for a science major would not take courses in history and geography and those choosing fine arts as a major would not take science courses.

Under the new evaluation system, the students will have to take exams covering every course they have studied during their three years in high school.

Those who pass the universal graduation tests, usually given at the provincial level, will receive a diploma certifying that they are qualified high school graduates, whether they take further studies or not.

The new system would require fewer subjects tested in college entrance exams for those who have passed the high school graduation exams.

#### Films on Mao, Deng, Revolutionary History Planned *OW0103213292 Beijing XINHUA in English* *1432 GMT 1 Mar 92*

[Text] Beijing, March 1 (XINHUA)—More films based on Chinese revolutionary history will be shot this year, according to the Cinema Administrative Bureau of the Ministry of Culture.

Among the films to be shot, many are biographical ones of the senior leaders, including "Our Leader Mao Zedong," "Mao Zedong in Yan'an," "Peng Dehuai in the War to Resist U.S. Aggression and Aid Korea" and "Deng Xiaoping Rehabilitated."

An official in the Cinema Administrative Bureau of the Ministry of Culture said such films gained good social as well as economic results in 1992.

However, he said, film studios will have to be coordinated before these films start to be shot because of huge financial investment and a comparatively small domestic market.

#### Article Views 1950s Anticorruption Struggle *HK2902032092 Beijing QIUSHI in Chinese No.2,* *16 Jan 92 pp 41-44*

[Article by Cheng Dafang (4453 1129 2455), associate researcher of Party History Research Center under CPC Central Committee: "On Historical Experience in Anti-corruption Struggle During Initial Period after Founding of PRC"]

[Text] Forty years ago, the CPC led the people in waging an arduous struggle against corruption. It was the first battle in our party's protracted anticorruption struggle since the founding of the PRC, a successful demonstration of the party's true color in maintaining an honest administration for the people. It played an important role in the shaping of a fine party style and social atmosphere in the 1950s, and provided precious historical experience for our struggle against corruption today.

#### 1. We must fully understand the necessity and urgency of the anticorruption struggle as an important prerequisite in the elimination of corruption.

During the initial period after the founding of the PRC, our party and government were honest on the whole. The majority of party members and cadres shared weal and woe with the people, worked faithfully for the party and the people, and stood in sharp contrast to the extremely corrupt work style of the Kuomintang officials in the old society, who perverted justice in practicing graft and publicly took bribes. This was the basic and principal aspect. However, after entering the cities, some party members and cadres lowered the demands on themselves

when they had to face the test of being in power and the sugar-coated bullets of the bourgeoisie. They cut themselves off from supervision by the party and the masses, and discarded the fine work styles of being humble and modest, and of plain living and arduous struggle. People who showed impurity in party spirit to begin with, and who had not remolded their exploiting class ideologies, started to degenerate. Some speculators who were unable to change their bad habits relapsed into their old ways. From simply accepting dinner invitations and gifts, these people degenerated to practicing graft and taking bribes. While still claiming to be party members and state cadres, some accepted subsidies and orders from capitalists and collaborated with the latter in stealing and cheating state property, and in sucking the lifeblood of the people. Some actually became underground capitalists by secretly and illegally investing in factories and shops. A district party committee in Taiyuan City collaborated with the head of the district and others in squandering massive amounts of public funds, and worked hand in glove with private merchants in speculation and profiteering. He was the director of three privately-run shops. He also held shares in a private coal mine and joined 14 private merchants in setting up a power-driven mill. In every sense of the word, he was a capitalist who enjoyed political privileges. A departmental head of the people's government of the Northeastern Provinces was bribed by the manager of a pharmaceutical store into helping him cheat the state out of over 6.1 billion yuan (in old renminbi; in current renminbi, it is equal to some 610,000 yuan). That manager became a business tycoon in three years and had branches set up in Tianjin, Shanghai, Guangzhou, and other places. In November 1951, the nation was shocked by the exposure of the heinous crimes committed by Liu Qingshan [0491 7230 1472], the former secretary of the Tianjin Prefectural Party Committee, and the incumbent Secretary Zhang Zishan [1728 1311 0810], in which they had wantonly taking bribes and swiftly degenerated after entering the city. Facts have proven that the growth of corruption and degeneration has not only directly resulted in huge economic losses and seriously affected the development of the state sector of the economy, but has also corroded some of our political organs and ruined some of our cadres. If allowed to continue, this would cost the party its prestige, rallying force and fighting capacity, and even the revolutionary power base and the future of socialism.

In view of the above situation, the party Central Committee adopted a decision on 1 December 1951 on waging a struggle against corruption, waste, and bureaucratism in the party, military, and civilian systems. The decision pointed out: We have come to a crucial point when we could make serious mistakes unless a large-scale anticorruption struggle is waged. In conjunction with the struggle against the "three evils," the party Central Committee further decided, on 26 January 1952, to wage a struggle in large and medium-sized cities against capitalists who have violated the law by bribery, tax evasion, theft of state property, cheating on government contracts

and stealing economic information. The directive emphatically pointed out: This struggle against the "five evils" is extremely necessary and timely. On 16 March, the party Central Committee unequivocally pointed out: Unless a struggle is waged against these "three evils," the party will rot away, the nation will perish, and economic construction would be out of the question. If this struggle were to be put off for a few years, many places would start to show changes of a political nature, and the dangers would have been too dreadful to contemplate. We must therefore persist in combating the "three evils" to the end, and must not waver in our determination. We must succeed in this struggle, and failure will not be tolerated. The gradual deepening and unification of the understanding of the whole party and the people of the whole nation about the importance of this anticorruption struggle has laid the ideological foundation for the eventual victory of this struggle.

## 2. The strong leadership of the party is the fundamental guarantee of success in the anticorruption struggle.

During the initial period after the founding of the PRC, the party Central Committee, with Mao Zedong as the nucleus, had a sober and profound understanding of the importance of the anticorruption struggle. For this reason, it was able to demonstrate a high degree of consciousness as well as a great determination and resolution in leading the struggle.

The principal leading comrades took a personal interest in the matter and implemented the policy vigorously and speedily. Comrade Bo Yibo was entrusted with the task of combating the "three evils" at that time. He once said with deep feeling: "I can still remember very vividly how vigorously Chairman Mao grasped the struggle against corrosive influences in those years. Once he decided to grasp something, he would do so firmly, and would grasp it to the end. He would never tolerate a fine start and a poor finish, and would never just go through the motions. He not only put forward the policies, but personally supervised their implementation. He not only put forward the tasks, but instructed how to go about them." (Looking Back on Several Major Policy Decisions and Events," p 142) The Beijing Municipal Party Committee submitted a report to the Central Committee on the progress of the anticorruption struggle on the morning of 4 December 1951, and the report was endorsed by the Central Committee that same day, with Mao Zedong's personal comments. At 2000, the report was wired to the entire nation. After receiving a telegraph from Tan Zheng [6223 2398] on 30 December on the launching of the struggle against the "three evils," Mao Zedong, finding the Central South Military Region a bit sluggish in its actions, drafted a reply at 0200 on New Year's Day with the instruction that they "exercise strict supervision and give frequent instructions to the movement, seeing to it that results are yielded every day." He made some amendments to a few blunders made in the incoming telegraph, and had someone dispatch the revised telegraph to the Central South

Military Region by special plane to arouse their attention. In February 1952, Mao Zedong personally commented on and transmitted 85 documents on the anti-corruption struggle. In four days, he dispatched as many as eight documents a day. When the struggle was in its crucial stage, Mao Zedong heard reports by the Central Frugality Inspection Committee practically every day. He often took personal command at the office of the Central Frugality Inspection Committee and attended its working conferences.

Proceed from leading cadres, particularly the senior leading cadres. The party Central Committee stipulated that leading cadres at all levels must first examine among the masses problems about themselves and their units, and that there is to be no exception about this. On 18 January 1952, the Central Committee pointed out when relaying Chen Yi's report: If we do not examine the leaders first, it will not be possible to mobilize the masses to combat the "three evils." If we emphasize less examination of the leadership, it means that we will be rectifying the lower levels while leading the upper levels alone, which is no way to rectify the bourgeois tendency of cadres departing from the masses, improve all our work, and eliminate the three evils. The Central Frugality Inspection Committee once received a letter signed "A Party Member from the Northeast," exposing the deeds of Gao Gang [7559 1511]. As usual, Mao Zedong had someone sent to investigate the case. The Central Frugality Inspection Committee also received a letter from Tianjin exposing the deeds of the municipal leadership and two senior military cadres. Mao Zedong assigned Bo Yibo to personally head an investigation in Tianjin. In handling the case of Liu Qingshan and Zhang Zishan, some comrades were of the opinion that senior cadres like them who had performed meritorious services should be given an opportunity to turn over a new leaf. Mao Zedong said: It is precisely because of their high position and great merits and influence that we must resolve to order their execution. It is only by executing them that we can save 20, even 200 or 2,000 cadres who have made mistakes of varying degrees.

Grasp the task to the end and do well from start to finish. When the struggle against the "three evils" first began, the Central Committee required all units to submit a report within one month. Units at and above the county level not only had to submit their report to their higher authorities, but were required to forward a copy of their report to the Central Committee. Places with access to telegraphs were required to have the reports wired. Units failing to submit their reports were punished for violation of discipline, and those who submitted their reports late were required to give the reasons. From 8 through 10 May 1952, Mao Zedong authorized the dispatch of five documents of the Central Committee in which he put forward the requirement and method for "properly finishing" and "correctly finishing" this struggle. He emphasized that in the final stage "it is necessary to seriously assume responsibility, seek truth from facts, spare no pains, and see things through to the end. What

is right must be affirmed, and what is wrong must be corrected. Those who should be demoted should be demoted, those who should be promoted should be promoted, while the dubious and undecided cases should be shelved for the time being. In short, it is necessary to resolve problems realistically, and subjectivist ideas and the tendency to shy away from troubles must be overcome." It was obvious that the party Central Committee with Mao Zedong as the nucleus has paid great attention to doing things well from start to finish. If the struggle started well but finished poorly or was given up halfway, corrupt elements would become even more cocky, and decadent phenomena would continue to grow and create still greater dangers, by which time it would be even more difficult to have them eliminated.

### 3. Active participation by and resolute support from the masses are the source of strength in the anticorruption struggle.

The anticorruption struggle during the initial period after the founding of the PRC was a mass democratic movement mobilized and led by the masses. The masses of the people were the social foundation and fundamental motivating force for the victory of this struggle. From the start of the struggles against the "three evils" and the "five evils," the party Central Committee emphasized that the party and government must lead and rely upon the people. Chiefly, they must rely on the workers, peasants, and revolutionary intellectuals, invite democratic parties and personalities to take part, unite the law-abiding capitalists and other citizens, and win over the overwhelming majority of erring cadres, and some of the law-breaking capitalists, after their problems have been sorted out on the side of the struggle, in order to form a universal mass movement and the broadest united front, and wage the anticorruption struggle through to the end. The party Central Committee repeatedly emphasized the need to fully develop democracy, earnestly implement policies, and enforce discipline. While opposing Right deviationist ideas of being afraid to give a free rein to the masses, it is also necessary to pay attention to rectifying the "Left" mistake of broadening the scope of the struggle.

In order to mobilize and lead the masses, our party conducted propaganda and education in a big way, carried out profound ideological mobilization inside and outside the party, and resolutely guarded against and seriously punished retaliatory actions. Since a well-led mass democratic movement had truly developed, all kinds of passive and decadent phenomena and law-breakers were thoroughly exposed, and they were severely criticized and properly handled. The phenomena of widening the scope of attack and committing excesses, which flared up for a while in the early stage of the struggle, were quickly brought under control and rectified. This made it possible for the struggle to develop in depth along the correct track. Through the struggle, the broad masses enhanced their awareness, personally experienced the high degree of unity between

the party, the government, and the people in the combating of corruption, and increased their enthusiasm for participation and their confidence in victory. In the end, the masses became the strong motivating force and profound foundation for the protracted anticorruption struggle.

**4. The necessary condition for the healthy development of the anticorruption struggle requires promptly formulating and resolutely implementing the relevant policies, and laws and regulations.**

On 11 March 1952, the Administration Council promulgated the Central Frugality Inspection Committee's "Regulations on Dealing with Corruption and Waste and on Correcting Mistakes of Bureaucracy." On 18 April, the Central People's Government Committee adopted at its 14th meeting the "Regulations of the PRC on Punishing Corruption." On 13 June, the Administration Council promulgated the instruction on several questions regarding the conclusion of the movement against the "five evils." These documents laid down clearcut rules regarding the lines of demarcation to be grasped in policies and the methods for handling these matters. In addition, the party and government also laid down specific provisions regarding the organs, authority, and procedures for examination and approval, the organs, procedures and methods of execution, the standards of punishment and sentencing, and so on, for the subpoenaing, arrest, and conviction of arch grafters and capitalists guilty of heinous crimes, for the examination of industrial and commercial enterprises, and for the imposition of measures of repayment, compensation, fine, and confiscation. No organization or individual was allowed to do things without authorization. The policy of learning from past mistakes to avoid future ones and curing the sickness to save the patient was adopted toward corrupt cadres to achieve the goal of educating the cadres, uniting the masses and eliminating corruption. The authorities concerned were required to make concrete analyses of mistakes, draw a clear line of demarcation between waste and failure in order to distinguish between public and private interests in general on the one hand and corruption and degeneration on the other, between serious and minor cases, whether or not one is willing to make a confession and correct one's mistakes, and appropriately deal with each case on its own merits when determining the nature of offenses, when taking action, and demanding repayment or compensation. Protection was given to scientists, democratic personages, and people to be won over. Evidence and a proper balance of leniency and severity were stressed in passing verdicts. The ideological education of cadres was emphasized and the establishment of various systems was strengthened to prevent repetition of offenses. Every effort was made to eliminate degeneration without dampening the enthusiasm of cadres, and to strictly deal with the corrupt and degenerate elements without harming those who could be redeemed and helped to turn over a new leaf.

In short, this struggle required the entire party and the people of the entire nation to do things according to the law from the outset. The party promulgated a series of laws and regulations in March and April, when the struggle was at its height, and concluded its work in accordance with the law in June, after verdicts were passed. Although mistakes and omissions were made from time to time, they only comprised a small number. Seen from the guiding ideology, the actual implementation, and the end result, this struggle was indeed a healthy one governed by law, and carried out in accordance with the law.

**5. The promotion of economic construction is a striking hallmark of the success of the anticorruption struggle.**

In the anticorruption struggle, the party Central Committee emphasized time and again that the struggle must not hamper production or lead to chaos, or cause economic activities to come to a standstill, but must help promote production. Due to some improper measures in the early stage of the movement and the fact that some economic management organs became engrossed in the movement, and that some capitalists refused to comply or shoulder their responsibilities, a complicated economic situation developed by February 1952. On the one hand, prices stabilized, then steadily dropped, the government's fiscal situation gradually improved, and savings deposits increased. On the other hand, the market stagnated, production declined, and unemployment increased. This immediately aroused the attention of the party and the government, and measures were swiftly taken to tackle these problems.

In the latter half of February 1952, the party Central Committee put forward the following guideline: The struggle against the "five evils" should be carried out according to the policy of narrowing the scope of the attack and winning over the majority; except for the handful of capitalists guilty of serious crimes, and who should be punished, capitalists engaged in large, medium, and small businesses, in general should be protected and helped; efforts should be made to help people absolve themselves of their mistakes through private talks before they are actually made targets of attack so as to avoid direct confrontation which tends to hurt people's feelings and harm unity; implication of dependents and partners and the extortion of confessions by threats of closure or suspension of operations are forbidden. The party Central Committee also adopted measures requiring cities that were already waging the struggle, to strive to resume normal work in all fields before the end of April. Cities which had not already done so were told not to rashly unleash the struggle without making all the necessary preparations, while counties and districts were told not to unleash the struggle against the "three evils" and "five evils" at all. Different demands were set for organs, factories, schools, research institutions and communication departments so that work and production would not be affected, or would be less seriously affected by the movement, and so that losses would be made up as

quickly as possible. The central departments were urged to rectify as quickly as possible the phenomenon of concentrating their attention on beating the "tigers" and forgetting to lead the lower levels or attend to their own vocational work. From April onward, relations between public and private interests and between labor and management were readjusted on a new basis. When verdicts were finally passed, the principles of being strict in waging the struggle but lenient in handling cases, achieving a proper balance between leniency and severity, and being reasonable in demanding repayments and compensation were adhered to so as not to make capitalists panic, and so that they could continue with their production and operational activities with feelings of assurance. Through our efforts, a new situation in which industry, commerce, and other trades all developed more healthily than before, emerged. We may say that we have had some successful experience in handling the relations between the struggle against corruption and the steady development of the economy.

Our anticorruption struggle during the initial period after the founding of the PRC has won a great victory. Through the elimination of corruption and the improvement of work style, the party became healthier than before, and the prestige enjoyed by the party and government among the masses of the people increased. The enthusiasm of the working class and the broad masses in politics and production was greatly enhanced, while the bourgeoisie began to engage in political and economic activities in accordance with regulations stipulated in the "Common Program." The political situation further stabilized. The chaotic situation where private undertakings were allowed to develop in an unplanned way was brought under control, illegal practices were checked, the leading position of the state sector of the economy was strengthened, the relations between public and private interests and between labor and management were better coordinated, and further improvements were made in the country's economic situation. The ideology and work style of the corrupt and decadent exploiting classes came under extensive and systematic criticism and corrupt elements were punished according to the law. As a result, the atmosphere and outlook of society underwent a fundamental change, and a healthy and gratifying situation of stability emerged. The victory of this struggle created favorable conditions for our ultimate victory in the three large-scale movements, namely, the War to Resist U.S. Aggression and Aid Korea, the struggle to suppress counterrevolutionaries and land reform, as well as for the large-scale economic construction and full-fledged socialist transformation which commenced in 1953. As the party Central Committee pointed out in March 1952: Seizing a victory in the anticorruption struggle "is the essential key to the further development of our revolutionary cause." For a considerably long period of time, our fine party style and social atmosphere has been cherished by all peoples in the world who want revolution and progress, and envied by many people who lack a spiritual ballast and feel dejected. We owed this to

the victory of the anticorruption struggle during the initial period after the founding of the PRC.

Of course, in a mass movement of this scale, mistakes were unavoidable, and not all concrete measures were appropriate. Even correct measures at that time may not be applicable today. The historical conditions we find ourselves in today and the tasks we now face are very different from those existing during the initial period after the founding of the PRC. We can and should mainly rely on the legal system in handling economic and other crimes, and we no longer need to rely on the mass movement format to do so. However, the movements against the "three evils" and "five evils" have left us with valuable experience in fully relying on the masses to wage a struggle against crime, and in resolutely combating corruption, preventing corrosion, and in running the party strictly. This, and the revolutionary spirit of plain living, building an enterprise through arduous efforts, and constantly striving to become stronger that have been demonstrated by the broad masses of cadres and the people at that time are worthy of being passed down from generation to generation.

After reviewing the history of the anticorruption struggle during the initial period after the founding of the PRC, Comrade Bo Yibo said: "The party Central Committee and State Council are very concerned about problems of corruption which prevail in the party and in society, and are taking various measures to tackle these problems. Comrades within the party must consciously face the test of being in power, the test of reform and opening up, and the test of fighting 'peaceful evolution.'" "They must be prepared to wage a protracted struggle and learn to swim in the big ocean of opening to the outside world and developing the commodity economy in order not to be drowned. As long as we carry forward the fine traditions and work style of our party, firmly bear in mind the lessons taught by history, strengthen the flesh-and-blood ties with the masses of the people, always remain sober-headed, and truly make up our minds to combat corruption and eliminate this evil, we will definitely be able to continuously enhance the party's vigor and vitality. In this way, our socialist cause will remain invincible." (Ibid, p 160) These concise and meaningful words have profoundly and scientifically expounded the practical significance of efforts to study again the history of the anticorruption struggle during the initial period after the founding of the PRC.

#### **Li Xiannian Gives Guidance on Temple Project**

OW0303104192 Beijing XINHUA in English  
1023 GMT 3 Mar 92

[Text] Wuhan, March 3 (XINHUA)—A famous old temple located on the banks of the Yangtze River has been renovated with Chinese and overseas funds, and opened to tourists.

The Zhanghua temple in Shashi City, Hubei Province, is a major Buddhist temple.

Over the past few years the central and local governments have allocated several million yuan, and Chinese and overseas individuals of all walks of life have donated over six million yuan for a major renovation of the temple. Li Xiannian, chairman of the Chinese People's Political Consultative Conference, went to the temple twice to give guidance on the project.

Several halls and the statues of Buddhas and bodhisattvas in them have been restored to their original features. The wall paintings have been redone.

The abbot of a Buddhist temple in Hong Kong donated 40,000 pieces of gold foil to the temple.

#### QIUSHI No 5 Table of Contents Carried

HK0203115592 Beijing RENMIN RIBAO in Chinese  
29 Feb 92 p 6

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#### Correction to Review of Cadre Exchange System

WA0303155292

The following correction pertains to the item titled "Review of Cadre Exchange System Since 1990," published in the 2 March China DAILY REPORT on page 35:

Paragraph three, first sentence, make read: ...Organization Department and the Ministry of Personnel transferred 102 cadres at the departmental and bureau levels from 60 ministries, commissions, and other central state organs....(correcting passage)

#### Science & Technology

##### Carrier Rocket To Launch Australian Satellite

OW0303090892 Beijing XINHUA in English  
0852 GMT 3 Mar 92

[Text] Beijing, March 3 (XINHUA)—A new member of China's carrier rocket family, the Long March 2-E, will launch an Australian satellite March 22, Chinese rocket experts told XINHUA.

This means that China now has the capacity to launch satellites of different weights to distant, middle and near-earth orbits, making it one of the few countries with a complete set of carrier rockets, the experts said.

They said that China's Long March 1, Long March 2, Long March 3, Long March 4 and Windstorm 1 rockets have launched 31 satellites, including near-earth orbit retrievable satellites, distant-orbit geo-stationary telecommunications satellites and middle-orbit solar synchronous satellites.

In designing, developing and manufacturing those rockets, China has succeeded in developing new techniques for satellite retrieval and for launching multi-satellites with one rocket. It has also made progress in monitoring and controlling satellites and launching geo-stationary telecommunications satellites.

According to scientists, the Long March 4 is a three-stage rocket using conventional propellant. It has successfully sent two experimental satellites into solar-synchronous orbit 900 km from the earth. The Long March 3, fueled by liquid hydrogen and oxygen, is able to propel 1.4-ton satellites into geo-stationary orbit 36,000 km from the earth. And the Long March 2 rockets have launched 12 retrievable satellites weighing 2.5 tons each into near-earth orbit, setting a record of 100 percent success.

The experts said that the Long March 2-E carrier rocket, which has a capacity of a nine-ton payload, are more suitable for launching the increasingly heavier commercial telecommunications satellites on the international market.

China has also set up a number of modern launching centers, a satellite control network and a telecommunications network to provide reliable backup services.

##### Carrier Rocket Development Viewed

OW2902134392 Beijing XINHUA Domestic Service  
in Chinese 0425 GMT 29 Feb 92

[By reporter Xu Zhimin (6079 1807 2404) and correspondent Liu Linzong (0491 2651 1350)]

[Text] Beijing, 29 February (XINHUA)—A new member of China's carrier rocket family—the Long March II high-thrust strap-on vehicle—will officially come into use when we launch an Australian satellite on 22 March. This indicates that our country has the capability to

launch high-orbit, middle-orbit, and low-orbit satellites of different kinds and weights and has become one of the few countries in the world that exclusively possesses a relatively complete series of carrier rockets.

These reporters learned from relevant departments that the country has successfully launched a total of 31 satellites—predominantly low-orbit recoverable satellites, high-orbit stationary communications satellites, and middle-orbit solar-synchronous meteorological satellite—using carrier rockets such as the Long March I, II, III, and IV and the Storm I. Designed, developed, and manufactured by China independently, these carrier rockets brought us one breakthrough after another in such key technologies as satellite recovery, multiple-satellite launching by a single rocket, satellite surveying and control, and the launching of synchronous communications satellites. Having produced gratifying results in the fields of carrier rocket technology and applied satellite technology, these rockets are playing an increasingly important role in man's peaceful use of resources in outer space.

These reporters were briefed that the Long March IV is a type of third-grade rocket that uses conventional propellants and can be widely used for launching large middle-orbit and low-orbit earth-observation satellites. It has successfully carried two Chinese experimental meteorological satellites to a solar-synchronous orbit about 900 km above the earth's surface. Powered by advanced low-temperature and high-energy propellants made of liquid hydrogen and oxygen, the Long March III rocket's hydroxide propulsion system can rekindle under a gravity-free conditions to send a 1.4-metric-ton satellite into an earth-synchronous orbit 36,000 km above the earth. Used mainly for launching various kinds of near-earth satellites weighing up to 2.5 metric tons, the Long March II rocket has launched 12 recoverable satellites in a row, setting a satellite recovery record of 100 percent. Statistical information on astronautical experiments indicates that China's carrier rockets have reached an advanced international level that is similar to other products in terms of their overall technology and performance and the rate of successful launchings.

Astronautics experts believe that following the development of satellite technology, international commercial communications satellites are presently moving in the direction of greater capacity and weight. After the Long March II high-thrust strap-on vehicle is officially put into commercial use, our rockets' near-earth satellite-carrying capacity will be upgraded to about nine metric tons. As such, our carrier rocket series will be improved to meet the international astronautics market's needs to launch large satellites.

In addition, the country has successively constructed a number of astronautical launching fields and established networks of satellite surveying, control, and communications to provide reliable technological security for launching various kinds of carrier rockets.

### **Collaboration With Foreign Countries in Satellites**

*OW0203130792 Beijing XINHUA in English  
1237 GMT 2 Mar 92*

[Text] Beijing, March 2 (XINHUA)—China is collaborating with foreign countries in developing and building communications satellites, earth-observing satellites and scientific exploration satellites, Chinese sources said.

"A number of breakthroughs in the analysis of large-scale space structure, satellite moving forces, antennas, image processing and astronomical observation have been made in our cooperation with over 20 countries including the United States, Britain, France, Germany, Italy and Brazil," he said.

Since China announced its decision to use its "Long March" carrier rockets to launch satellites for foreign countries, foreign businesses from more than 20 countries have come to China to negotiate and sign satellite launch contracts.

The "Long March-3" and "Long March-2E" rocket carriers have successfully sent the "Asiasat 1" communications satellite and a Pakistani scientific experimental satellite into space.

According to the sources, China has also served foreign firms by using its recoverable satellites to produce new materials and new medicines under micro-gravity conditions in space. So far, China has recovered five experimental devices aboard China's recoverable satellites for France and Germany.

China has also exported satellite parts and ground facilities to a dozen countries.

Recently, China's network of space measurement and control successfully carried out monitoring of a second-generation international maritime satellite.

In recent years, tens of thousands of foreign businessmen and space scientists have visited the Xichang Satellite Launch Site, Jiuquan Satellite Launch Site and Xian Satellite Measurement and Control Centre. In the meantime, China has sent some 10,000 scholars abroad to attend international space conferences.

### **Nuclear Industry's Achievements at Home, Abroad**

*OW2802142692 Beijing XINHUA Domestic Service  
in Chinese 0801 GMT 27 Feb 91*

[Report by reporter Zhuo Peirong (0587 1014 2837): "A New Nuclear Industrial System Catering To Both Military and Civilian Sectors Has Taken Shape in China"—XINHUA headline]

[Text] Beijing, 27 February (XINHUA)—Thanks to 10 years of hard work, the project to readjust the development of the nuclear industry—approved in 1981 by the central authorities—has on the whole been completed. Last year, the readjustment of the nuclear military industry was basically achieved, and the output value of

civilian products churned out by the nuclear industry surpassed that of military products for the first time. The line, policies, and guiding principles for nuclear science, technology, and industry are well defined in terms of technology, equipment, and development. A new nuclear industrial system that caters to both military and civilian sectors has taken shape in China.

The major sign indicating the formation of this new system is the smooth takeoff of the nuclear power industry. The Qinshan nuclear power station has been successfully connected onto the power network and has begun to generate electricity on a trial basis. Construction of the Dayawan [Daya Bay] nuclear power station has entered a crucial phase. Work on the second phase project of the Qinshan nuclear power station and the preliminary work for other nuclear power stations are actively under way.

Meanwhile, diversification of the nuclear industry by applying advanced nuclear technologies to other fields of economic construction has borne very good results. Last year, the Xinning sugar mill under the Xinjiang Ore Smelting Bureau and the production line for titanium dioxide at the No. 272 plant began to produce qualified products. The titanium dioxide project at the No. 404 plant, the large chemical fertilizer factory at the No. 816 plant, as well as the production lines for magnesium at the No. 202 plant and the No. 712 mine are at the peak of installation. Progress has been made in gold mining—ranging from prospecting techniques to the refining process—as well as in the rare earth industry—ranging from the production of raw materials to the development of new products; and a number of deposits have been verified. Good results have been achieved in a host of technological development projects, including fire alarm systems, high-efficiency filters, and plasma cutters.

Along with the formation of the new industrial system, China's nuclear industry has in recent years also made progress in scientific and technological cooperation with foreign countries, as well as in foreign trade. The industry's exports have expanded from nuclear to non-nuclear products. In 1991, the export volume of machinery and electrical appliances upped by 150 percent from a year earlier. Not long ago a contract was signed for China to export a nuclear power station to Pakistan, signaling China's nuclear power technology is going international. China has signed memorandums of understanding with Australia and Indonesia for cooperation in the peaceful utilization of nuclear energy, and has expanded exchanges in nuclear science and technology with France, Japan, the former Soviet Union, and a number of Third World countries. Moreover, the Standing Committee of the National People's Congress has passed a decision allowing China to join the "Nuclear Nonproliferation Treaty."

### More on Qinshan, Daya Bay

HK2502025592 Beijing CHINA DAILY in English  
25 Feb 92 p 1

[By staff reporter Li Hong: "Nuclear Industry Shifting to Civilian"]

[Text] The Balance of China's nuclear industry production has shifted and is now more civilian—and profitable—than it is military.

The changeover has primarily come through building nuclear power plants and exploring new products such as isotopes, radiation therapy and other medical technology.

The solely State-owned industry used to exist only to fulfill government military contracts. But last year, the industry saw a 14 percent increase over 1990 in its civilian sales, which accounted for 54 percent of its annual total.

Following the successful commissioning last December 15 of the country's first Chinese-built nuclear power station—the Qinshan station in Zhejiang Province—the industry is now on course in its 10-year technology development programme.

It aims to achieve the following goals before the year 2000:

- Research, production and marketing of 600,000-kilowatt water- pressurized power reactor.
- Improvement and commercialization of the Qinshan 300,000- kilowatt water reactor, and development of three other advanced- technology reactors.
- Boosting research and production of new civilian products such as isotopes, radiation therapy and other medical technology.

The industry expanded its exports by 15 percent last year, with more varieties of civilian and non-nuclear products, according to officials of the China National Nuclear Corporation (CNNC).

The industry's shift from military hardware to the civilian sector, which began several years ago, is part of the country's general emphasis on economic development, CNNC officials said.

Now, officials said, the industry has decided to "rely on itself in addition to absorbing foreign technologies" in order to generate more nuclear electricity, which is much needed in China's fast- developing southeast provinces.

This year, CNNC will try to make the Qinshan station generate electricity at full capacity by June, and the National Nuclear Safety Administration will carry out two inspections prior to issuance of operation certificate to the station.

Production of the Daya Bay Power Station in Guangdong Province will enter its final experimental stage this year. The first 900,000-kilowatt generator is expected to begin operating next summer, CNNC officials said.

Due to increasing installation work and delay in some supply of materials, the station's operation has been postponed by a year.

Also in 1992, CNNC will have to complete preparatory work for the scheduled two 600,000-kilowatt water-pressurized generators in Qinshan.

And, it will be busy helping Pakistan to build a 300,000-kilowatt power station, according to a contract signed late last year between CNNC and Pakistan Atomic Energy Committee.

China joined the Nuclear Non-Proliferation Treaty late last year, which CNNC said would promote scientific and technological co-operation on nuclear energy between China and other countries.

"It makes the importers understand their imported nuclear technology and products from China are solely for peaceful use," said an official.

### Network To Spread Technologies Nationwide

*OW2602091892 Beijing XINHUA in English  
0839 GMT 26 Feb 92*

[Text] Beijing, February 26 (XINHUA)—The national new technology development and promotion network will take more steps to spread new technology nationwide this year.

The network has selected 10 new technologies for wider application.

It will hold symposia and take other measures to spread the new technologies, including helping enterprises look for partners in universities and the Chinese Academy of Sciences, transfer scientific research results, and provide service for technological consultation and research.

According to incomplete statistics from 24 provinces and municipalities, about 3,100 new technological projects were spread through the network in 1991, of which 1,107 involved electronics. In addition, more than 34,900 technicians have received training.

The network also held more than 200 various technology exchange fairs and exhibitions.

All these measures resulted in some four billion yuan in increased output.

### State Stresses Environmental Protection

*OW0203134092 Beijing XINHUA in English  
1315 GMT 2 Mar 92*

[Text] Beijing, March 2 (XINHUA)—China will work hard and take concrete measures to improve its environmental protection, according to a Chinese environmental protection official here today.

The country is facing serious environmental problems despite the progress it has made in the control of pollution, he added.

Speaking at a press conference, director of the State Administration for Environmental Protection Qu Geping called on the whole country—particularly the country's 400 million young people—to join the fight to solve ecological problems.

"A national environmental propaganda campaign will reach its climax in April, May and June, the season when Earth Day, May the Fourth Youth Day, June First Childrens Day, June Fifth World Environment Day and the United Nations environment and development conference take place," he said.

Because of rapid population growth, poor urban infrastructure, rapid economic growth, backward technology, and high consumption of raw materials and energy, Gu said, the country's environment deteriorated last year in the following aspects:

- Air pollution. Since China takes coal as the main energy source, smoke constitutes a major problem of pollution, which in recent years caused acid rain particularly in cities located in southwest and south China;

- Water pollution. In 1990, about 35.4 billion tons of waste water poured into rivers, lakes and ports;

- Industrial Solid Waste. In 1990, some 0.58 billion tons of industrial solid waste was dumped, of which only 30 percent has been recycled;

- Ecological Deterioration. Since the 1950s, one third of China's farmland has been ruined by soil erosion. Forest fires, deforestation, plant diseases and insect pests are still chronic problems for China's forests. The country's grassland is also shrinking, according to the official.

### Military

#### Military Official on Armed Forces' Quality

*HK2502083692 Beijing JIEFANGJUN BAO  
in Chinese 29 Jan 92 pp 1, 2*

[By Zhang Zhimeng (1728 2535 3718) and reporter Chen Xiaobu (7115 1420 1580); "During Inspection Tour of

Guangzhou Military Region, Liu Huaqing, Central Military Commission Vice Chairman, Stresses Need To Improve Quality of Armed Forces"]

[Text] Guangzhou, 28 Jan (JIEFANGJUN BAO)—On the eve of the Spring Festival, General Liu Huaqing, vice chairman of the Central Military Commission, arrived in south China to inspect the Guangzhou Military Region. Despite fatigue from a long journey, Vice Chairman Liu went deep to the grass roots levels to inspect the military situation. In every place he visited, Vice Chairman Liu explained Central Military Commission instructions on improving the armed forces' quality, calling on the armed forces to take advantage of the favorable conditions and good opportunity in reform and opening up to work with down-to-earth spirit for the formation of a high standard, revolutionary, modernized, and regular people's army.

During his inspection, Vice Chairman Liu time and again encouraged the Guangzhou Military Region's commanders and soldiers to resolutely and protractedly implement the party's basic line and to persist in "one central task, two basic points." The favorable conditions in reform and opening up should be treasured and fully used to improve the armed forces' quality so that they will perform better in undertaking the heavy task of defending the motherland's south gate, and make new contributions to social stability and the smooth carrying out of reform and opening up. He stressed: The more reform and opening up are deepened, the more developed economic construction will be, and the stronger material foundation will be for national defense construction. He hoped that commanders and soldiers will understand better the far-reaching significance of adhering to the four cardinal principles and persisting in reform and opening up and will actively support and devote themselves to the great cause of reform and opening up.

Most of the troops of the Guangzhou Military Region are stationed in regions carrying out reform and opening up. Their strategic position is quite important. In recent years, the Guangzhou Military Region has taken full advantage of the favorable conditions and good opportunity in reform and opening up to effectively promote its construction in all fields. This was fully confirmed by Vice Chairman Liu. Vice Chairman Liu arrived in a military division on 11 January, where he highly appraised the excellent training exercise being conducted in the division, its regular, full-set training facilities, and the fine environment around its barracks. After listening to a briefing on how the military region took advantage of the favorable conditions in reform and opening up to promote its construction, Vice Chairman Liu pointed out: "Reform and opening up have enabled us to introduce advanced technology, advanced equipment, and advanced managerial experience, to bring all positive factors into play, and to develop the productive forces and combat effectiveness." Vice Chairman Liu added: "You have used the favorable conditions in reform and opening up to develop production. You have also used

the results from this to improve your training facilities, equipment, and management conditions. This has solved many problems. Your direction is quite correct." A unit of the military region has been commended as a "sharp sword of south China" for its good military and political quality. After asking in detail about the unit's establishment, equipment, and training as well as its research on foreign troops' situations, Vice Chairman Liu demanded that the unit be particularly firm in politics and a cut above others in military skills, stressing that "we should study foreign armed forces' experiences and absorb their strong points by means of open regions' quick access to information, but we should not copy or transplant what others are doing but should have our own characteristics."

In the company of Guangzhou Military Regional Commander Zhu Dunfa and Political Commissar Zhang Zhongxian, Vice Chairman Liu came to a combined Army, where he inspected an artillery brigade, a tank brigade, three infantry regiments, an artillery regiment, a weaponry repair center, and some Army-run enterprises. Reform and opening up have brought about new looks in armed forces units and localities, and these new looks have also made a deep impression on Vice Chairman Liu. While meeting members of the combined Army Party Committee, Vice Chairman Liu highly praised the combined Army for fully utilizing the favorable conditions in reform and opening up to promote its construction on the one hand and for paying close attention to education in the ideological field to build a spiritual wall of iron on the other. He pointed out: "Ideological style building is the basis of armed forces' quality building. We should fully use the favorable conditions in reform and opening up to train our troops and should also be able to withstand the test of reform and opening up. We should pay attention to these two at all times." "Reform and opening up have brought on many good things, which are beneficial, but some unhealthy things have also entered. If we do not do well in work, cadres and soldiers will be affected. To build a hard-trained unit, we should be really up to political, ideological, military, style, and discipline standards."

Vice Chairman Liu took serious account of improvement on the armed forces' ideological and cultural fronts. He visited more than 10 libraries, reading rooms, cultural study centers, medals rooms, and karaoke rooms. In front of the cultural gallery of an infantry regiment, Vice Chairman Liu said: "It is full of variety. The ideological and cultural front must be consolidated and attention on it should never be relaxed. While inspecting the medals room of the military region's No. 1 Red Battalion, Vice Chairman Liu told the battalion's cadres: "Your battalion is a veteran battalion and has glorious traditions; you are a new generation, you should develop the glorious traditions, carry forward the revolutionary cause, and forge ahead into the future."

During his inspection, Vice Chairman Liu also held a discussion with Guangzhou Military Region leaders, air force leaders of the military region, and some comrades

in charge. Vice Chairman Liu was happy to hear that army-civilian and army-government relations are harmonious, that they support each other, and that new experience has been gained in national defense education, in recruiting soldiers, and in militia work. He said: Armed forces units in open regions should further probe experience in how to improve political and ideological consciousness and in how to carry out quality construction in all fields. New looks in armed forces units emerge through efforts instead of through words. In this new historical condition, leaders at all levels should go deep to the realities of life and companies to study new situations and new problems. They should integrate theory with practice, restrain from engaging in empty talk, and devote more efforts to doing something practical. Only in this way will we be able to implement the principles and policies of the party Central Committee and the Central Military Commission and to produce effective results in our work. He stressed: We should take advantage of the favorable opportunity in reform and opening up to further strengthen our political building and military training; to bring about the modernization of weapons, equipment, technology, and command facilities; to constantly improve commanders' quality; to strengthen the armed forces' management; and to enhance their combat effectiveness in an all-around way.

#### **Article on Role of National Defense University**

*HK1902144992 Hong Kong KUANG CHIAO CHING in Chinese No 233, 16 Feb 92 pp 14-17*

[Article by Hsiao Chung (2556 6845): "Former Commander of Chengdu Military Is Sent to National Defense University for Further Study"]

[Excerpts] Lieutenant General Zhang Taiheng, commander of the Chengdu Military Region, and another 21 generals are now 10th term students at the National Defense University. Command of the Chengdu Military Region was assumed by Lieutenant General Li Jiulong.

The CPC recently called for "improving the quality of the armed forces." Troop numbers will be further reduced after the 14th CPC National Congress.

The Central Military Commission [CMC] has decided that those who do not receive training in military schools cannot be appointed as officers.

More than 100 military schools and academies have trained several hundred thousand officers for the armed forces, and the composition of the armed forces has completely changed. The Kunming Army College trains grass-roots officers from Tibet. Now, it has trained more than 200 Tibetan officers who have all returned to work in Tibet.

#### **The CPC Calls for "Improving the Quality of the Armed Forces"**

Recently, it was rumored in Beijing that troop numbers will be further reduced by 500,000 from the current level

of 3 million. This decision may be carried out after the 14th CPC National Congress. In 1992, the CPC will mark the 65th anniversary of the founding of its armed forces. The CPC recently called for "improving the quality of the armed forces" and required that the political and military quality of the armed forces be enhanced, thus realizing the modernization of the armed forces by the end of this century.

In order to "improve the quality of the armed forces," aside from the modernization of weaponry and equipment, the key lies in enhancing the quality of military cadres and personnel. Therefore, the CPC authorities will make further efforts to improve military schools and academies in order to train new-type military personnel and meet the new changes in the international situation.

Military schools and academies are now playing a more salient role in China's military structure.

#### **The Central Military Commission Lays Down a Rule: Those Who Have Not Received Training in Military Academies Cannot Be Appointed Officers**

The CPC authorities have always attached importance to the work of military schools. In the Red Army's early period, there was the College of the Red Army of Chinese Workers and Peasants; in the War of Resistance Against Japan, the CPC set up the famous Anti-Japanese Military and Political College in Yanan; after the CPC seized state power, it immediately set up the Military and Political College and a number of military academies. However, when Lin Piao held power during the "Cultural Revolution," almost all military academies were closed. It was not until the Third Plenary Session of the 11th CPC Central Committee in 1978 that the CMC restored and set up military academies and laid down the rule: "Those who have not received training in military academies cannot be promoted." [passage omitted]

#### **National Defense University—China's Top Military Academy—Adapts Its Work to Targets for the End of This Century and Needs of Early 21st Century**

The National Defense University of the Chinese People's Liberation Army [PLA] was set up in December 1985. It is the top military academy in the whole country. This military academy, which is located beside Beijing's Summer Palace, has attracted more and more attention from foreign militaries.

The National Defense University was built at great speed and the project was completed in a mere eight months. In April 1985, the CMC decided to merge the three military academies restored or set up after the "Cultural Revolution," namely, the PLA Political College, the Military Academy, and the Logistics School, into the National Defense University. Zhang Zhen was ordered to take charge of the new university's construction. On 24 December, Deng Xiaoping, who was then chairman of the CMC, signed an order to announce the establishment of the National Defense University. Zhang Zhen was appointed as the university's first commandant and

General Li Desheng was appointed university political commissar. Deng Xiaoping also instructed the National Defense University to follow the principle of "facing the world and facing the future," that is, to train senior military officers according to the needs of military modernization for the end of this century and the early 21st century. Deng Xiaoping personally wrote the name board for the National Defense University. Yang Shangkun and Li Peng also attended personally the founding ceremony and gave speeches there. After that, senior leaders of the CMC often inspected the university and gave lectures there, showing a high degree of care for the work of the university. Yang Shangkun gave many important instructions to the National Defense University. After he became chairman of the CMC, Jiang Zemin also inspected the National Defense University twice and met with graduates from the military academy several times.

The National Defense University is designed to train senior military cadres at and above the army level and is aimed at cultivating senior commanders, senior staff officers, and senior theorists and researchers. Yang Shangkun also required the academy to train senior "versatile" officers being competent in the military, political, and logistics work and being able to command ground, naval, and air forces and command compound military operations, thus making the National Defense University a real "cradle of generals" and the high-class "Huangpu Military Academy" of the 1990's.

The National Defense University enrolled more than 540 students in its first term. In the past five years, nearly 1,700 students have graduated from it or have completed their studies at it. Among them, 23 people have completed masters degree dissertations and have become the Army's first group of masters degree holders in military science. In the past five years, the National Defense University submitted nearly 10,000 proposals to the CMC and other leading organs and published 380 monographs and 5,700 academic papers. It has become a major brain trust institution for the CMC in its policy-making process. In the autumn of 1991, Lieutenant General Zhang Taiheng, commander of the Chengdu Military Region, and another 21 generals were also enrolled at the National Defense University as students in the 10th term. [passage omitted]

#### **The Military Academy in Kunming Specially Trains Tibetan Officers**

The Kunming Army College is the sole military academy in the PLA at present for training grass-roots officers from Tibet. In the five years since its founding, it has trained more than 200 Tibetan officers. An interesting fact is that while the military academy stresses education in basic Marxist theory, it also gives courses such as the "Rise of Yellow Buddhism and the Establishment of the Living Buddha System" in order to help the Tibetan officers better understand Tibet's history and current conditions. Because some Tibetan cadets did not have sufficient knowledge for the academy's curriculum, the

instructors need to be more patient. They often use their free-time to give individual tuition to Tibetan cadets. The school also sends special personnel to purchase nonstaple food according to the Tibetan cadets' habits and customs. Such practices deeply moved the Tibetan cadets. They expressed determination to overcome difficulties and acquire knowledge in order to become new-type military commanders for building and defending Tibet. [passage omitted]

#### **CMC Instructs Military Academies To Enforce School Discipline More Strictly**

The Central Military Commission has issued instructions many times on the running of military academies, pointing out that it is necessary to strictly enforce discipline in the management of troops, and is even more necessary to strictly enforce discipline in the running of military academies. A series of rules and regulations on teaching and scientific research, school style and discipline, and school management were formulated. The military academies all stressed the need to give top priority to ensuring the training of military officers who are up to standard politically and ensuring the CPC's absolute leadership over the armed forces. In recent years, groups for studying Marxist-Leninist theory and Mao Zedong's military works have been set up in all military academies, and a new upsurge of theoretical study has risen again. In the PLA Political College in Xian, cadets enrolled in 1990 have read the *Selected Works of Mao Zedong*, and the cadets enrolled in 1991 have read most of the second edition of the *Selected Works of Mao Zedong*. The college also formulated a plan for studying Mao Zedong's works and assigned special instructors to give guidance to the studies. Publicity is given to a number of model cadets in the study of Mao Zedong's works. The college stressed the need to take Mao Zedong Thought as an ideological weapon, to master the essence of Mao Zedong Thought, and to build an ideological "great wall" for resisting peaceful evolution.

During the 1990's, in the face of a changeable situation, the armed forces will hold a more salient position in China. In the course of reform and opening up, the role and influence of the military academies in China will also attract people's attention.

#### **Army Intellectuals Granted Special Subsidies**

*HK2502122892 Beijing JIEFANGJUN BAO  
in Chinese 28 Jan 92 p 1*

[By Zhang Zhencang (1728 2182 3318) and reporter Bie Yixun (0446 5030 8113); "Intellectuals in Army Making Outstanding Contributions Granted Special Government Subsidies"]

[Text] Beijing, 27 Jan (JIEFANGJUN BAO)—On the eve of the Spring Festival, a number of Army experts, scholars, and technicians who have made outstanding contributions to Army modernization were granted special government subsidies. At forums separately called

by the General Staff Headquarters, the General Political Department, and the General Logistics Department not long ago, Yang Baibing, Central Military Commission secretary general and concurrently General Political Department director; Chi Haotian, chief of General Staff; and Zhao Nanqi, General Logistics Department director, attended the forums, and extended their warm congratulations, while expressing earnest expectations for those comrades who were conferred such an honor. Everyone present was greatly inspired when China Academy of Sciences Division members Zhou Tinchong [0719 1694 0394]; his wife, Huang Cuifen [7806 5050 5358]; and the famous Li brothers of the medical circles, Li Ao [7812 2407], Li Jieshou [7812 0095 1108], and Li Leishi [7812 4320 4258], solemnly accepted the "Certificate for Special Government Subsidies" printed in gilded characters.

It was learned that those comrades granted special government subsidies are our Army's cream of various branches of sciences; among them are scientific researchers with great attainments and lots of results; fine teachers passing on their knowledge to, and bringing up, younger generations, with their students now spread all over the country; medical workers who have lofty ethics, healing the wounded and rescuing the dying; engineering and technological cadres working hard at tackling bottlenecks, with utter devotion in silence; and rather renowned writers and artists, working hard with their pens. Among them are 14 Academy of Sciences Division members; 98 middle-aged and young experts, who have made outstanding contributions at the national level; and 86 instructors to doctoral students, of whom the bulk are middle-aged and young people, with the youngest only 37 years old.

The issuance of special government subsidies is an important measure the party and state have adopted to augment and improve work among intellectuals as well as an important embodiment of "showing respect for knowledge and qualified people." The Central Military Commission has attached great importance to this work. The recent selection has been conducted by recommendation from the grass roots to the top through unified balancing armywide, while nationwide comparison was made with high criteria upheld; thus the cream of qualified people enjoying a reputation at home and overseas were selected. The principle of giving prominence to substantial work results was adhered to, which were the major grounds for recommendation and selection, under the prerequisite of paying attention to candidates having both ability and political integrity and putting political criteria above all else. The practice of ensuring focal points, while showing consideration for other aspects was also adhered to, with focus on recommending personalities who have made outstanding contributions in the realm of natural sciences, while selecting some of those who have scored remarkable accomplishments in military science, and literature and art as well.

Granting special government subsidies to people who have made outstanding contributions has roused strong reactions armywide, especially on the science and technological front. Many experts and scholars said the practice has fully embodied the concern of the Central Committee, State Council, and Central Military Commission for the intellectuals, and enabled them to see the vast expanse for the intellectuals to give full play to their wisdom and intelligence under the socialist system as well as the bright prospects of the science and technological undertakings of the Army and state. They are determined to contribute all their knowledge and strength to building a modern, regular, revolutionary army with Chinese characteristics.

#### Commentator's Article

*HK2502130792 Beijing JIEFANGJUN BAO  
in Chinese 28 Jan 92 p 1*

[“Commentator's article”: “High Honor, Earnest Expectations”]

[Text] A number of experts, scholars, and technicians of our Army have been granted special government subsidies. This is an event of great happiness to the intellectuals working on all fronts in Army modernization. Here we would like to warmly congratulate those comrades who have been thus honored, while extending our regards to them on the occasion of the Spring Festival!

The state's practice of granting special subsidies to specialized technological cadres who have made outstanding contributions despite financial difficulties fully embodies the firm resolution of the party and state to develop science and technological undertakings, their full affirmation of the intellectuals' place and role, and the rewards for their meritorious services and contributions. The sum of the subsidies is limited, but the feeling they express is boundless, containing the earnest expectations and reliance of the party, state, and Army on the intellectuals, while spelling out a lofty responsibility and sense of mission.

Specialized technological cadres are playing an increasingly greater role in Army modernization. They are bent on making progress and silently making contributions, and have scored remarkable accomplishments in various posts in the arenas of education, scientific research, engineering technology, medical treatment, public health, culture, and art. Over the past 10 years, the Army has won some 500 national awards in natural sciences, inventions, and progress in science and technology, and some 2,000 first and second Army prizes for progress in science and technology. Many projects have filled in gaps in China, with some up to world advanced levels. We may say that every progress in Army building was made with the wisdom, intelligence, and hard work of professional and technological cadres. Those cadres enjoying special government subsidies are fine representatives of the broad group of intellectuals, and are worthy of the rewards from the party and the people.

Cadres enjoying special government subsidies should regard the concern and love of the party, the state, and the people for them as an impetus to making still greater progress to live up to the latter's expectations and the mission entrusted to them; play an exemplary role in building spiritual civilization, the pillar role in making the army's role in scientific and technological and cultural undertakings prosper, a demonstrative role in the each arena of work, and an exemplary role in uniting to cooperate; and set an example in supporting and bringing up new blood. Specialized technological cadres on all fronts and the commanders and soldiers armywide should learn their revolutionary spirit of cherishing the party and the country, devotion to defense, hard-working style in exploration, and going all out to make contributions while aiming high, tackling bottlenecks to scale the peak, and exerting efforts to create first-rate results. At a crucial period of the modernization of China and the Army, we firmly believe our broad specialized technological cadres will certainly be able to shoulder their historical responsibility and courageously answer the call of the times to make still greater contributions.

#### Nanjing Unit Receives Foreign Attaches, Guests

HK2302074592 Beijing ZHONGGUO XINWEN SHE  
in Chinese 0555 GMT 14 Feb 92

[By Zhang Yulong (1928 3768 7893)]

[Text] Nanjing 14 Feb (ZHONGGUO XINWEN SHE)—"The Chinese Army is an outstanding one." That was the praise from many military attaches from many countries for the Chinese Army's "window" stationed in Nanjing, a division of the People's Liberation Army [PLA]. In 1991 alone, the division received 118 senior military attaches and foreign guests in 12 groups from countries all over the world.

The first to visit a Chinese infantry division was a U.S. delegation of military educators. As soon as Lieutenant General William Richardson, the delegation's head, returned to the United States, he ordered his drill masters to go on an investigation tour of the division as quickly as possible. In their wake, 5,844 foreign guests and military attaches in 365 groups from Italy, France, Australia, Japan, Bangladesh, India, and Pakistan came here to visit and watch performances, of which state leaders, government heads and officials at and above ministerial levels numbered some 1,400.

All privates of the division have fine qualities. They have a good standard of discipline, appearance, and bearing, with each of them boasting a unique skill. Of 65 privates of a certain company, 64 are famous expert marksmen. Last year, when Jiangsu was afflicted by flooding, the men in that division also rendered meritorious services.

Humorously, British General Baghally expressed his admiration for the Chinese soldiers: "Having watched

your training has firmed my idea that we can only make friends with you in the future. It would be totally bad luck to be your enemy."

#### Guangdong Governor Views Armed Forces Work

HK2202072992 Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 18 Feb 92

[Text] The provincial party committee People's Armed Forces Committee held the 14th plenary session this morning.

They meeting studied the major problems concerning the building up of the people's armed forces in this province.

Zhu Senlin, governor and director of the provincial party committee People's Armed Forces Committee, addressed the meeting.

In his speech, Zhu Senlin stressed: In the new year of 1992, party committees and governments at all levels, while persisting in focusing on economic development, must try to strengthen national defense, making the two develop in a coordinated way. To strengthen the people's armed forces, party committees and governments at all levels must be involved in providing guidance, [words indistinct], strengthening the forces politically, and solving related major problems.

Zhu Senlin called on party committees and governments at all levels to make a success of the following three tasks: 1) take two years beginning from this year to build, repair, move, or transform the armories in some counties; 2) try to achieve a good result in building up the people's armed forces departments, militia, and [words indistinct] at all levels, those in townships and towns and enterprises in particular; 3) strengthen the contingent of cadres for the people's armed forces, exercising effective supervision over the cadres' performance and raising their quality.

#### Shenzhen Military Company Given Honorary Title

OW2302051492 Beijing XINHUA Domestic Service  
in Chinese 1427 GMT 22 Feb 92

[By reporter Jiang Shunzhang (5592 7311 4545)]

[Text] Shenzhen, 22 Feb (XINHUA)—At a meeting held here today, the sixth company of a certain unit under the Guangzhou Military Region was conferred the honorary title of the "Fine Sixth Company in the Shenzhen Special Economic Zone" for maintaining correct political orientation, actively supporting local economic development, and outstandingly performing various tasks.

The sixth company, once referred to as a revolutionary company in the 1960's, boasts a glorious tradition. The company has achieved remarkable results for many years in carrying out the education on Marxist theories and the four cardinal principles among its officers and soldiers and in helping them establish a firm faith in the party,

the country, and socialism as well as gain a correct outlook on life. Over the last five years, the company has helped to place more than 800,000 telephone calls without a single mistake and remarkably carried out 24 missions in coping with emergencies and helping people tide over disasters, in participating in military maneuvers, and in maintaining secure telecommunications for leaders of the party, the country, and the military during their inspections in Shenzhen. The company has actively engaged in building the Shenzhen Special Economic Zone. Its officers and soldiers have helped local authorities to lay more than 1,000 meters of cable and dispatched more than 500 sorties to repair local telephone lines and machinery. They have been praised by local people for performing many good jobs, such as safeguarding social security, helping people old and young, and providing military training for students and workers.

An inscription, which reads "Strengthen the building of companies by learning from the spirit of special economic zones," by Liu Huaqing, vice chairman of the CPC Central Military Commission, was read at the meeting.

### Economic & Agricultural

#### **Li Peng Reaffirms Experience in Cattle Raising**

HK0203150092 Zhengzhou Henan People's Radio Network in Mandarin 2300 GMT 28 Feb 92

[Excerpt] From 24 to 27 January, State Councillor Chen Junsheng conducted investigations regarding cattle raising and [words indistinct] in Zhoukou Prefecture and wrote a report.

Premier Li Peng and Vice Premier Tian Jiyun wrote important instructions on the report.

In his instructions Li Peng said this is an encouraging report. [words indistinct] is, Li Peng continued, an important means for the peasants to achieve prosperity. The cow, whose every part is useful to us, serves to improve the diet of the people in urban and rural areas and helps protect the environment. By raising cattle, we can reap several-fold profits on an investment. We should spread the use of the experience created by Zhoukou Prefecture in light of actual conditions in various localities.

In his instructions Tian Jiyun said this report is very good and convincing. The report shows that there is great potential for extensively developing animal husbandry in rural areas. Using [words indistinct] as fodder to raise cattle contributes to saving on grain and improving the soil and the people's diet and is also an important means for the peasants to achieve prosperity. [passage omitted]

#### **Vice Premier Tian Jiyun Comments on Issues**

##### **Urges Preventing Forest Fires**

OW2702063792 Beijing XINHUA Domestic Service in Chinese 1227 GMT 25 Feb 92

[By reporter Ma Chengguang (7456 2052 1639)]

[Text] Beijing, 25 Feb (XINHUA)—As the spring approaches, the prevention of forest fires is urgently being placed on the agenda. The State Forest Fire Prevention Headquarters has called a conference in Beijing to make arrangements for preventing forest fires this year.

The conference heard a briefing by Minister of Forestry Gao Dezhao on achievements made in preventing forest fires in recent years and the 1992 tasks in this regard. Then, Tian Jiyun, vice premier of the State Council and director general of the State Forest Fire Prevention Headquarters, addressed the conference, calling on local governments and relevant departments at various levels to do a better job in preventing forest fires this year.

Vice Premier Tian said: In recent years we have accumulated a wealth of experience in preventing forest fires by proceeding from actual conditions, giving full play to the superiority of the socialist system, and taking a road with Chinese characteristics. We should conscientiously sum up such experiences and refine them. I remember that in 1990 we summed up our experiences in preventing forest fires and that the most fundamental of such experiences were two: One was that governments at all levels should pay close attention to preventing forest fires, strengthen their leadership, and do practical work in this regard; the other was that people in various professions and trades should coordinate closely with one another, pool their wisdom, and make concerted efforts to prevent forest fires and tackle problems in this field. I believe that these two experiences represent the characteristics of our country's work in preventing forest fires as well as the superiority of our socialist system. These experiences are of universal significance and will be useful for a long time to come. In places where serious problems have arisen in preventing forest fires over the years, the main lesson is that leaders have paid no attention to preventing forest fires, lacked a practical work style, and failed to do solid work. Practice proves that forest fires, especially large-scale forest fires, can be prevented provided leaders pay close attention to them and do solid work in this regard.

Vice Premier Tian pointed out: We must have a clear understanding of the importance, arduousness, and protracted nature of preventing forest fires. Forest fires, greatly affected by weather and other natural conditions, are natural disasters, but most forest fires are caused by people's carelessness or negligence or their use of fire in violation of regulations. Where there is a forest, efforts should be made to prevent fires. These years more forests have appeared by planting trees, and the task of preventing fires has become increasing important. The

requirement for preventing forest fires is to make sure that nothing will go wrong at all and that there must be no negligence and no slackening of vigilance. If one uses fire carelessly, he might cause a serious fire. In preventing forest fires, we cannot do the work once and for all. Every year, we must do this work at every level; whenever the alarm is sounded, we must unswervingly get the job done. "When people lower their guard and slacken their efforts to prevent forest fires, such fires may occur." We must never forget this lesson written in blood.

Vice Premier Tian said: According to forecasts by meteorological departments, climatic conditions in the spring will remain quite unfavorable to preventing forest fires. Therefore, the situation is rather grim. We should pay close attention to this, do a good job, and appraise more seriously the problems in this field. We should set strict and high demands, reduce the damage of forest fires, if any, to the minimum, and strive to prevent serious fires. To this end, I want to stress several other points.

1. We should maintain sharp vigilance. To do a good job in preventing fires, we should enhance our understanding and keep a clear head in this regard. All localities should analyze this year's climatic conditions, understand them well, and make practical arrangements according to actual conditions. They should make the prevention of forest fires an important item on their agenda and do this work efficiently.

2. We should implement a responsibility system at every level. The system of assuming full responsibility by administrative leaders is implemented in preventing forest fires, which is stipulated in the "Regulations on the Prevention of Forest Fires." Practice over the past several years shows that this system is feasible and effective. First of all, the No. 1 man of a local government should personally take a hand in this work; the one in charge of this work should concentrate on it; and various relevant departments should coordinate with one another in doing the work according to their division of work with individual responsibility. Now that a pledge of responsibility for the prevention of forest fires has been signed in various localities, the work and responsibilities should be divided and performed. This work should be done responsibly at every level. When something goes wrong in a link or department, that link or department should be investigated to find out if it should be held responsible.

3. We should persist in putting prevention first. "Putting prevention first and vigorously extinguishing a fire" comprise a principle for the work in preventing forest fires. In implementing this principle, we should persist in putting prevention first and do all our work before the outbreak of a forest fire. We should try to make sure that few or no few forest fires occur.

4. We should be fully prepared to put out large-scale forest fires. In planning for this work, we should make preparations in two areas: First, we should concentrate

on prevention and try to make sure that few or no fires occur; second, we should be prepared to extinguish fires. Once a fire breaks out, we should do our best to "prevent it from spreading and put it out as quickly as possible." Preparedness averts peril. Only when we are fully prepared to extinguish large-scale fires will we be able to put out such fires shortly after they break out. By so doing, we will be able to avoid serious damage.

5. We should coordinate closely with one another. Preventing forest fires is a major matter bearing on the overall situation. People's governments at various levels are responsible for this work. However, all relevant departments should take the initiative in assuming responsibility and performing their work.

Vice Premier Tian Jiyun finally stressed: We should perform all fields of work in a down-to-earth way. It is all the more important for us to do so in preventing forest fires. Today, we should first do a good job in preventing forest fires this spring. Next, we should make outstanding achievements in preventing forest fires throughout the year in order to better serve economic construction and greet the convening of the party's 14th National Congress.

#### Addresses Afforestation Meeting

OW2902161692 Beijing Central People's Radio Network in Mandarin 1030 GMT 29 Feb 92

[From the "National Hookup" program]

[Text] Addressing the 11th plenary session of the All-China Greening Committee this afternoon, Tian Jiyun, chairman of the All-China Greening Committee and vice premier of the State Council, said: China has made remarkable achievements in afforestation, balanced total growth and consumption of forest resources, wiped out the forest reserves deficit, reversed the long-standing negative situation of a decline in forest reserves, and started to expand both forest areas and reserves simultaneously.

Tian Jiyun said: Compared with the last forest survey, the latest one shows that the land covered by trees throughout the country has expanded from 1.87 billion mu to 1.93 billion mu and the percentage of forest cover, from 12.98 percent to 13.4 percent. Total timber reserves have amounted to 10.868 billion cubic meters. Tian Jiyun called this an outstanding record and the results of the entire society's efforts to run the forestry industry and the whole nation's participation in greening projects.

The 11th plenary session of the All-China Greening Committee was held in the Zhongnanhai this afternoon. Vice Premier Tian Jiyun chaired the session. Gao Dezhao, vice chairman of the All-China Greening Committee and minister of forestry, briefed the session on the progress of the nationwide afforestation work last year and arrangements for this year. The session adopted the "Opinions on Further Intensifying Mandatory Tree

"Planting by the Entire People," the "Opinions on Further Intensifying Afforestation and Greening Projects by Departments," and the "Decision on Awarding the 1991 National Greening Medals." According to the decision, 550 comrades, including (Chen Xianyuan), were awarded the 1991 national greening medals for their outstanding performance in afforestation and the greening work. On behalf of the State Council, Vice Premier Tian Jiyun extended his hearty congratulations to the award winners.

Tian Jiyun stressed: Strengthening the leadership and working conscientiously are the key to do a good job in running the afforestation undertakings. This year, all localities should conduct serious surveys on the implementation of the responsibility system for achieving afforestation targets by leaders at various levels during their terms of office and the management of selected afforestation areas by leading cadres at all levels. He said: The mandatory tree planting movement by the entire people should be conducted in an even more down-to-earth manner each year. Currently, we should make efforts to standardize and institutionalize this movement and promote it in various afforestation bases in a scientific way. Bases for mandatory tree planting should be built where conditions allow.

#### Speaks at Drought Teleconference

*OW0203153992 Beijing XINHUA Domestic Service  
in Chinese 0737 GMT 2 Mar 92*

[By RENMIN RIBAO reporter Xia Jun (1115 8823) and XINHUA reporter Pu Liye (5543 4539 2814)]

[Text] Beijing, 2 Mar (XINHUA)—On the evening of 1 March, the State Council held a telephone conference on anti-drought operations in the north to discuss further mobilization of forces and arrangements for the operations. At the conference, Tian Jiyun, vice premier of the State Council, said emphatically: Governments at all levels in drought-stricken areas and relevant State Council departments must take urgent measures to rally people to wage a people's war against drought to protect seedlings, to ensure spring sowing, to minimize drought losses, and to lay the foundation for reaping bumper harvests in agriculture this year.

Except for the bulk of the northeast, Nanling, Wuyi Mountain, and the western parts of Yunnan and Sichuan, where precipitation has been higher than the corresponding period of an average year, most of our country has experienced little precipitation since last autumn, which has resulted in a decrease in river water and a shortage of water in reservoirs. According to preliminary statistics compiled by water conservancy departments, 110 million mu of winter crops have suffered drought damage, and 180 million mu of soil has lost moisture. Drought-stricken areas are primarily located in the northwest and most of the north, with Henan, Gansu, Shaanxi, Shanxi, Ningxia, Qinghai, Xinjiang, and Inner Mongolia experiencing more serious

drought. Drought lasting through autumn and winter has affected the sowing, sprouting, and growth of winter crops, a development that is very unfavorable to this year's summer grain and oil-bearing crops and to spring farming. Protracted drought has caused serious problems as far as having a supply of drinking water for human beings and livestock both. According to forecasts by meteorological departments, most of the north will experience little precipitation this spring; the drought situation will worsen, thereby greatly increasing the likelihood of a serious drought in the spring.

Tian Jiyun asked governments at all levels and relevant departments to give priority to battling drought and to working for bumper harvests. He asked them to exercise stronger leadership, to work in close cooperation, and to launch more anti-drought operations. Tian Jiyun said: Principal responsible comrades of governments at all levels in areas afflicted by serious drought should play a personal role. Departments concerned should send experts and technical personnel to the forefront of the anti-drought campaign to help people solve practical problems. All localities and relevant departments should ensure the supply and rational distribution of diesel oil, gasoline, chemical fertilizer, and materials and electricity needed for anti-drought operations. In areas suffering power shortages, industry should make electricity available to anti-drought operations to ensure spring irrigation. Shortages of funds needed for anti-drought operations should be solved by all means and through various channels. Efforts should be made to prevent formalism, to truly perform practical deeds, and to combat drought earnestly, practically, and effectively.

Tian Jiyun urged all localities to vigorously promote various water conservation programs, to actively launch water conservancy projects, and to rationally develop and utilize water resources. No efforts should be spared to exercise sound field management for autumn and winter crops and to prepare sowing for spring farming. In areas with scarce drinking water for human beings and livestock, it is essential to extensively rally the people to work with spirit and to take all necessary measures to surmount difficulties. It is necessary to continue to mobilize and organize urban organizations and various factories, mines, and other enterprises to deliver water to people hit by shortages of drinking water so that residents in water-scarce areas will enjoy a stable life.

In conclusion, Tian Jiyun said: Agricultural development and stability in the countryside are of paramount importance to overall economic stability and development. All localities and relevant departments should display the same spirit that they exhibited in "providing aid to areas in distress from all quarters" during last year's flood combat and relief operations. They should actively rally and organize urban areas and industry to support the countryside and the agricultural sector. All industries and trades should assist in all aspects of drought combat by providing manpower, materials, and technology. They should work realistically to conquer drought and to ensure bumper harvests by all means.

State Councillor Chen Junsheng presided over the telephone conference. Li Changchun, governor of Henan Province; Lu Ming, vice governor of Gansu Province; Yang Zhenhuai, minister of water resources; Chen Yaobang, vice minister of agriculture; and Zhao Weichen, deputy director of the State Council's Production Office, delivered speeches in turn. Li Changan, deputy secretary general of the State Council, and responsible comrades from relevant State Council departments attended the conference.

### Praises Beijing Afforestation Work

OW0203072992 Beijing XINHUA Domestic Service  
in Chinese 1314 GMT 1 Mar 92

[By reporters Yan Zhenguo (7051 2182 0948) and Su Huizhi (5685 2585 1807)]

[Text] Beijing, 1 Mar (XINHUA)—Beijing authorities held a meeting at the Great Hall of the People today to commend advanced units and individuals who have made contributions to the work of beautifying the capital by planting more trees. Meanwhile, those units that lag behind in the work were criticized at the meeting.

In recent years, the capital has achieved great results in afforestation. Last year alone, more than 1.84 million trees were planted in Beijing, a record 84 percent ahead of the plan. More than 15.02 million trees were planted in 1991—9.6 percent ahead of the plan—as windbreaks in rural and suburban areas and in villages and townships surrounding the capital. A total of 1.5 million people in Beijing participated in the compulsory work of planting trees last year. The following new achievements have been made in the afforestation work: There are many key afforestation projects with scales much greater than those of past years; a higher afforestation standard has been reached; marked progress has been made in nursing and protecting trees and grasses; and results have been achieved in helping units that fall behind in the work.

At the meeting, Vice Premier Tian Jiyun fully affirmed the results Beijing has achieved in afforestation. He expressed his hopes that Beijing will continue its efforts to turn the capital green to usher in the convening of the 14th CPC Congress and create fine environmental conditions for competing in the sponsorship of the Olympic Games.

Tian Jiyun said: Afforestation is very important for the basic and environmental construction of modern cities. Afforestation is beneficial in providing windbreaks, controlling sands, and purifying air. It is good for improving the people's cultural and spiritual life and for preventing and avoiding natural disasters. It can beautify the landscapes of modern cities. It is helpful in promoting tourism, in expanding contacts with the outside world, and in carrying out production in a safe and civilized manner. Afforestation—like such infrastructural projects as roads, water supply, drainages, telecommunications, power supply, heat supply, and gas supply—is an

important matter concerning the existence and development of cities, the physical and mental health of the people, and the welfare of future generations.

He pointed out: Continuous efforts must be made to improve afforestation in urban areas. It is imperative to carry out afforestation plans, especially those for separating living areas from traffic noise, for improving the living environment, and for providing windbreaks. These plans must meet the needs of building housing compounds among green areas, improving ecological systems, beautifying cities, and making things convenient for people. Efforts must be made to create more parks and green areas. It is necessary to beautify housing areas by planting more trees. While engaging in comprehensive improvement of urban conditions and in rebuilding old housing areas, we must pay greater attention to planting more trees in open space and to raising flowers and grasses on high-rise apartments and office buildings.

Vice Premier Tian Jiyun said: The key to strengthening the work of afforestation lies in improving leadership. Leaders at all levels should try to increase their understanding about the role and functions of afforestation in the national economy and social development by emancipating the mind, seeking better ideas, and formulating plans and measures suitable for local afforestation drives. They must be persistent in carrying out afforestation plans by personally participating in the work of planting trees at experimental projects and summing up experiences. Leaders at all levels must mobilize people of all circles to participate in afforestation work. They must do a good job in promoting the national compulsory afforestation drive.

He added: We must promote the afforestation quality and standard through relying upon scientific and technological progress. Afforestation in urban areas must be commensurate with the modernization drive. Each city must have its own special style in creating a clean and fine environment where people can live and work.

The meeting was presided over by Chen Xitong, state councillor and mayor of Beijing. More than 6,000 people attended the meeting, including Vice Chairman Liao Hansheng of the NPC [National People's Congress] Standing Committee, Vice Chairman Wang Guangying of the CPPCC [Chinese People's Political Consultative Conference] Committee, and representatives of the party, government, and military in Beijing and relevant departments of Beijing.

### Articles Appraise Three Gorges Project, Debate

#### First Article

HK2801031092 Beijing CHINA DAILY in English  
28 Jan 92 p 4

[First in a series of five articles by staff reporter Gao Anming from the "Opinion" page: "Three Gorges Dam: A Long Debate"]

[Text] After decades of indecision, China is on the verge of agreeing to build its greatest dam across the most scenic stretch of the Yangtze River.

The 185-metre-high dam on the Three Gorges is designed to directly protect 32 million lives at the expense of resettling 1 million people and at least 57.6 billion yuan (\$10.5 billion). The project was endorsed by all but nine out of 412 experts who were invited by the government to conduct feasibility studies.

Its supporters say the project, with a water storage capacity of nearly 40 billion cubic metres, will foil the worst flooding of the Jing River (a section of the Yangtze in Hubei Province most prone to floods).

They also say the project will produce 84 billion kilowatt-hours of "clean" electricity annually, raise the river's transport capacity four times while reducing costs by one-third, and help channel water from the Yangtze basin to North China.

They cemented their position after the catastrophic flooding last summer that claimed 2,628 lives and cost 72.5 billion yuan (\$13.3 billion) in damage. Millions of lives could be lost and dozens of large cities submerged if no major anti-flood project is built on the lower reaches of the Yangtze, they warn.

But the dam's critics have also issued warnings.

These critics, mostly intellectuals, say the dam, which will submerge 630 square kilometres of land and force 1 million locals out of their homes, could cause an environmental disaster and lasting social repercussions. They doubt the dam's expected benefits and argue that the huge investment during the planned 18 years of construction could be an endless drain on State coffers.

Still the on-going debate has turned in favour of the advocate as the country's top policy-makers, apparently convinced that the reservoir's benefits will outweigh its disadvantages, move cautiously but steadfastly toward ratifying the project.

During the last quarter of 1991 alone, members of the Chinese People's Political Consultative Conference, the Standing Committee of the National People's Congress (NPC) and provincial heads conducted on-the-spot inspections of the project.

Speakers of the three groups noted that people in the provinces of Hubei and Hunan support the dam as protection from potential floods. Residents in the reservoir areas, having been denied substantial development during the last three decades in case the project were approved, consider a go-ahead an opportunity for them to shake off poverty.

Local officials are also pushing hard. Governors of Hubei and Hunan, in their articles in the PEOPLE'S DAILY [RENMIN RIBAO] earlier this month, insisted that only the dam would abate the threat of flood.

The programme will probably be submitted for approval to the annual session of the NPC in March, the first time China's highest legislative body will review a specific construction programme.

The idea of building a grand water conservation project across the 6,300-kilometre Yangtze, the third longest river in the world, was first raised in 1919 by Doctor Sun Yat-Sen, a forerunner of China's bourgeois revolution, in his article "The Industry Plan."

Feasibility studies were initiated by the Kuomintang Government in the 1930s. In 1944, John Lucian Savage, a well-known American dam expert inspected the proposed site at the invitation of the Chinese government, to which he later raised a series of suggestions on the project in his written report. A year later, the Kuomintang regime signed an accord with the United States to invite the U.S. Bureau of Reclamation to further research the geology, economy and immigration of the dam site.

Meanwhile, it sent about 50 Chinese experts across the Pacific to design the project. Their work, however, stopped in 1947 because of the war at home.

Research resumed with the founding of the People's Republic in 1949 and accelerated after the Yangtze River flood in 1954 that killed 33,000 people and cost 10 billion yuan (\$1.8 billion) in direct damage.

In February 1958, the late Premier Zhou Enlai led a group of 100 officials and specialists to inspect the dam site and chaired a debate about the project. Based on his report, the Central Committee of the Communist Party of China adopted a resolution in March calling for "active preparation" for and "full and reliable policies" toward the project. The domestic economic setbacks and changes in international relations in the 1960s thwarted his ambitious plan.

But the Chinese engineers never stopped their research on the project during the following 20 years.

In the late 1960s, the State Council decided to first build the Gezhouba project near Yichang 38 kilometres from Three Gorges dam site at Sandouping. Originally, the Three Gorges dam was to be built simultaneously with the Gezhouba project, which was started first to train workers for the Three Gorges construction.

But critics of the dam project say that now, the operation of Gezhouba can be hurt when the Three Gorges is completed.

In 1984, the State Council ratified a re-examination report by the Yangtze River Planning Office suggesting that the normal water storage level behind the Three Gorges dam be at 150 metres above sea level and started early preparations for the colossal project.

But the move once again unleashed criticisms from different sectors.

The municipal government of Chongqing, a heavy industrial city on the upper reaches of the Yangtze, proposed that the water level be raised to 180 metres so that 10,000 ton cargo ships could sail directly to the city harbour.

In response, the Party Central Committee and the State Council jointly issued a directive asking the former Ministry of Water Resources and Electric Power to organize more specialists from relevant departments to further investigate the project.

From 1986 to 1988, 412 Chinese specialists from 40 professions were invited to investigate geology, hydrology, flood control, silting, navigation, power systems, machinery and electricity facilities, resettlement of the displaced inhabitants, environmental impact, water level, the construction programme, investment appraisal, the project's main structure and overall economic appraisal.

All but nine participants signed the final feasibility report that concludes: The Three Gorges project is necessary for China's modernization drive; it is technically feasible and economically rational; it is better for the dam to be constructed than otherwise, and more advantageous if it is started early than late.

In July 1990, Premier Li Peng proclaimed the establishment of an examination committee headed by then-State Councilor and Minister of State Planning Commission Zou Jiahua. In August 1991, the committee passed the feasibility report and submitted it to the State Council for approval.

Premier Li Peng said the government will solicit views on the report from all parties concerned before handing it over to the NPC session.

### Second Article

HK3001101292 Beijing CHINA DAILY in English  
30 Jan 92 p 4

[Second in a series of five articles by staff reporter Gao Anming: "Will Dam Affect River Ecology?"]

[Text] Few people who have been to the Three Gorges will ever forget the spectacular scenery of towering cliffs and grotesque rocks with the whirling currents and rapids below them.

The canyons, lying between Sichuan and Hubei provinces, have been considered the most gorgeous stretch of the Yangtze River that runs 6,300 kilometres from west to east China. They topped the list of scenic spots selected by tourists at home and abroad late last year.

However, some people charge that some of this natural splendour, along with dozens of ancient buildings and graves, will be buried under a massive body of water when a long-planned 185-metre-high super dam is erected across the river at Xiling Gorge, the eastern-most gorge.

Others disagree. They insist that most hills along the river are 1,000 metres high, and that the limited rise in the water level will not substantially affect the scenery as a whole. Also, they say, the ancient relics can be moved or rebuilt, and tombs can be excavated before the reservoir starts to store water.

While admitting some adverse environmental effects, supporters of the dam say that its ecological benefits outweigh disadvantages.

As the debate over the construction of the colossal dam heats up once again following decades of postponement, government officials, experts, scholars and public figures have been airing their views on the project whose price tag at the end of 1990 was 57.6 billion yuan (\$10.5 billion) and which will take 18 years to complete.

From 1986-88, 55 experts were invited by the government to study the effects of the reservoir on the environment. Following field inspections and discussions, they reached a consensus and most signed the final report that gave the go-ahead to the project.

The report admits that the natural environment of the reservoir area has already been damaged and is worsening. Forest coverage has dropped from 22 percent in the 1950s to 12 percent, with saplings making up 90 percent of the trees. One-third of the farmland is reclaimed from slopes of more than 25 degrees, and soil erosion is on the increase.

The proposed Three Gorges reservoir, about 600 kilometres long and 1.1 kilometres wide, has an area of 1,084 square kilometres, with a normal water storage level set at 175 metres above sea level. It will submerge 632 square kilometres of land, including 23,800 hectares of farmland and 5,000 hectares of orange orchard. Some 726,000 local inhabitants (a 1985 figure) will have to be resettled.

The report says that the middle reaches of the Yangtze River will benefit most from the project while most of the disadvantages will be felt in the reservoir area.

The project will substantially alleviate the destruction that a devastating Yangtze flood may bring to the densely populated and economically advanced low land in Hubei and Hunan provinces. The fact that the dam will give a feeling of security to 32 million locals living under the direct threat of flood will be a benefit in itself.

Experts say that the severity of floods has its cycle. They warn that a catastrophic deluge is more likely with the passage of time as no major flood has occurred since 1954, when 33,000 people were killed and 10 billion yuan (\$1.83 billion) lost in direct damages.

The Three Gorges hydropower station will generate 84 billion kilowatt-hours of electricity annually. If the same amount of power is produced by thermal stations, however, some 40-50 million tons of coal will have to be burned, bringing heavy pollution to the atmosphere and the surroundings.

The reservoir will improve the climate in some areas and regulate the volume of the river to ensure better conditions for shipping, the report says. Besides, it will alleviate the silting-up of Lake Dongting in Hunan Province, which has shrunk so drastically during the last decades, due to sediment, that it fell from being the largest lake in China to being the third.

The report admits that the typical scenery of the Three Gorges will be affected, as the planned reservoir is twice as wide as the natural river course, and a tranquil body of water will take the place of the current torrents. Some argue, however, that such a loss may be compensated by the creation of new tourist attractions along small tributaries previously inaccessible by boat.

Critics also warn that the resettlement of more than 1 million displaced inhabitants further up the hills will add problems to the already fragile environment of the area.

Apparently heeding their alarm, the report dismisses the traditional economic pattern that more land be reclaimed to increase grain yield. Instead, it proposes to augment agricultural investment to raise per unit output, and to expand the planting of citrus, cash crops and trees, introduce animal herding and develop tourism. The subsequent lack of grain supply may be made up by food imports from other regions.

The report emphasizes, however, that any resettlement-related decision must be made strictly in line with a prerequisite that the ecological environment improves for the better. The existing practices of wanton tree felling, plantation on steep slopes and the development of industries that cause serious pollution must be abandoned.

The report does not rule out the possibility that the reservoir may induce earthquakes, as has happened to 120 out of 35,000 reservoirs in the world, for reasons yet to be figured out by scientists. But it says that the tremors will not be strong enough to cause damage to the dam. Similarly, there are hundreds of potential landslide sites in the area, but none is close enough to the dam to do substantial harm.

The report concedes that some fish accustomed to living in torrents may vanish from the reservoir, that the habitat of some rare aquatic creatures such as the Chinese dolphin and the Chinese sturgeon may be severely affected, and that the breeding season of most fish will be delayed for three weeks due to a drop in water temperature. But such losses can be made up or lessened by fish farming in the reservoir and remedial measures such as artificial breeding.

The report says that there is disagreement on whether the reduced annual fluctuation of the river will raise the underground water level and turn low-lying farmland along the middle reaches of Yangtze into swamps. Some categorically dismiss such a possibility while others insist that as much as 1.1 million hectares of land could be affected.

Some critics insist that advocates of the dam have so far failed to give due consideration to the long-term effect of the giant reservoir on the environment and its social repercussions, and that the current feasibility study has been limited only to technical subjects. They argue that these have been lost in the discussions of the project's benefits. But beyond their criticisms, they have failed to spell out what their alternative is, and nor have they expounded in unequivocal terms what the long-term consequences and social reverberations would be.

### Third Article

HK0202043092 Beijing CHINA DAILY in English  
1 Feb 92 p 4

[Third in a series of five articles by staff reporter Gao Anming: "Resettlement Remains a Sticky Issue"]

[Text] Tough and controversial as it is, the trial resettlement of residents in the Three Gorges reservoir area has been "successful" and "welcomed by the locals," according to an official in charge.

Li Boning, head of the Economic Development Office of the Three Gorges Area under the State Council, said the central government has spent 110 million yuan (\$20.3 million) since 1985 on trial resettlement programmes in the 19 counties in Sichuan and Hubei provinces that will have parts of their land submerged if the 185 metre-high dam is erected across the river.

Instead of the previous one-time-only compensation pattern for the displaced population, Li said the government has introduced a development-oriented programme, meaning it will invest in and allocate to farmers high-yielding farmland and cash crops, such as orange orchards and mulberry and tea plantations.

Li said the government has built 5,000 hectares of orange orchards, the same amount as will be submerged by the project. The final goal is to ensure one hectare of commercial woodland and half a hectare of high-yielding farmland for every displaced farmer.

Some 1.13 million locals will be forced out of their homes if the colossal project, designed to directly protect 32 million lives along the low-lying middle reaches of the Yangtze, is completed in 2008.

China has relocated 10 million people during the last four decades as it built 86,000 reservoirs. As many as one-third of them, however, were poorly resettled, due to "leftist" policies in the past and a lack of overall planning and funds.

This is one of the most important reasons why some sociologists and scholars doubt if this time a good job in this regard can be done.

### Reasons

Critics say the area's worsening ecological environment, its over-population, the residents' poor educational standard and a lack of communications links and other investment facilities will create a tough job for the government in its resettlement endeavour, no matter how meticulously it may have worked on the plan.

They insist initial success in the resettlement programme will not necessarily lead to a smooth transfer of people on a larger scale, and that even if the whole process is completed, there is due to be social repercussions in the long run, as has happened to most involuntary reservoir-related resettlement in the past.

Besides, the critics are not satisfied with insufficient participation by sociologists in the project's feasibility studies.

In 1986, the central government invited 27 experts to re-examine the resettlement of the affected population amid increasing doubts and criticism on the issue. Following two years of studies, most experts reached a consensus that the government is capable of resolving the problem if it guarantees sufficient investment, works out proper policies and employs the latest technology in the process. They signed the final report that gave the green light to the project.

In an article based on the report, the head of the 27 experts, Zhang Yue, said the proposed reservoir would submerge 632 square kilometres of land in 19 cities and counties, on which 725,500 people resided in 1985. It will bury 23,800 hectares of farmland and 5,000 hectares of orange orchards. It will also flood over 13 cities and county seats, and 657 factories with fixed assets totalling 820 million yuan (\$152 million).

Zhang wrote that 54 percent of the affected population are urban residents, who could resume their occupations after their cities are rebuilt. As the area of the hometowns that will be inundated is largely limited, and most affected factories small in size, there would be fewer problems with their resettlement.

### Affected Areas

Zhang said none of the 331 affected townships in the 19 counties would have all their land submerged, and the flooded farmland ranged from a mere 0.5 to 4 percent of

the total in the respective counties. Nearly 90 percent of the displaced farmers would therefore live and work in their own townships.

Zhang dismissed an assertion that the deteriorating environment of the reservoir area would not be able to support the added population, as he attributed the region's poverty to overpopulation, inadequate investment, misuse of agricultural resources and a lack of industries.

He said the area's environmental capacity for human settlement could be substantially increased and the ecological balance preserved if sufficient funds, technology, information, talents and materials are channeled in and distributed in an integrated development of various economic sectors.

For example, field and aerial surveys found that one-third of the waste mountain slopes could be reclaimed and half the available farmland is low-yielding. The feasibility study report suggests that 7.5 percent, or 19,300 hectares, of waste slopes be reclaimed and built into orange orchards, and 8,400 hectares of low fertility farmland be improved. This could well support more than half of the affected rural population.

Zhang wrote that the planned 18-year-long construction of the colossal project in itself, and the subsequent development of the area, could create thousands of non-farming jobs.

The report says 30 percent of the dam's planned 36.1 billion yuan (\$6.6 billion), budget, or 11 billion yuan (\$2 billion), would be spent on resettlement-related programmes. Considering inflation, the price for the dam soared to 57.6 billion yuan (\$10.5 billion) last year.

Of the 11 billion yuan, 25.9 percent would go to rural resettlement and 29 percent to urban reconstruction. This ensures 6,045 yuan (\$1,120) for each farmer, including 2,100 yuan (\$389) in compensation for destroyed houses and 3,945 yuan (\$730) for creating jobs, and 8,500 and 7,500 yuan (\$1,550 and 1,370) per capita respectively for city and county dwellers.

Zhang Yue did not touch on psychological issues that a massive population transfer could provoke.

The feasibility report proposes further research into the consequences of the massive human resettlement on the ecological balance, which it admits is still lacking.

It also urges the government to grant preferential policies in food imports, taxation, foreign exchange management and material distribution for the reservoir region.

**Projected Job Distribution of the 519,000 Rural Residents To Be Resettled in the Reservoir Area by the Year 2008**

	<b>Number of People</b>	<b>Percentage</b>
Industries	136,600	26.32
Construction	15,000	2.91
Farm produce processing	10,000	1.93
Tertiary trade	29,200	5.63
Agricultural production on reclaimed and improved farmland	275,000	52.99
Farming behind protective dykes along the reservoir	25,500	4.91
Fish farming and animal husbandry	27,600	5.32

<b>Projects</b>	<b>For Every 10,000 Kilowatts of Installed Capacity</b>		<b>For Every 100 Million Kilowatt-Hours of Electricity Generated Annually</b>	
	<b>Hectares of Farmland Submerged</b>	<b>Number of People Resettled</b>	<b>Hectares of Farmland Submerged</b>	<b>Number of People Resettled</b>
The Three Gorges Reservoir	14	410	28	863
31 Large and Medium Size Reservoirs Planned or Under Construction	26	431	60	1,000
118 Large and Medium Size Reservoirs	124	1,220	289	2,845
Reservoirs Built	234	2,120	535	4,820

Source: Report of the 1986-88 Feasibility Study

**Newspaper Views Macroeconomic Situation**

HK2702133392 Beijing JINGJI CANKAO BAO  
in Chinese 29 Jan 92 p 4

[Article by Ma Jiantang (7456 1696 1016), of the State Council Development Research Center Market Circulation Section: "Inspirations, Lessons Drawn From 1991 Macroeconomic Situation"]

[Text] Our country's macroeconomic situation has begun 1992 in a balanced way. The coexistence of the high growth rate in loans and low prices and the coexistence of the high growth rate of industrial production and the large amount of products kept in stock have not only presented a challenge to our economic circles but also left us some inspiration and lessons that merit contemplation.

**1. Investment is the most fundamental variable that determines the macroeconomic trend.**

Exorbitant investments will lead to swollen demand and price rises. Excessively small investments will also result in insufficient demand and a drop in prices.

Modern economic theory tells us that investments are the most important factor in macroeconomic activities. To a very large extent, the fluctuation of the national economy is the fluctuation of investments because changes in investments will produce multiple effects on the national income. It now seems that we are clear about the related effect of swollen investments and also should keep vigilant against the harm of the excessive expansion of investments. This is progress in the macroeconomic policy decision. Nevertheless, we may not necessarily see accurately the side effect of depressed investment demand. To be exact, we have neither too big nor too small a deviation in understanding the major

reason for the slack market. As from the fourth quarter of 1989, the central government has tried to increase demand to set the market in motion. However, we have not come to understand: 1) That the fundamental reason for the slack market is insufficient ultimate demand, namely not insufficient intermediate demand; and 2) that investment demand is the sole variable that the central government can regulate and control. Loans for key enterprises are thus first increased to resolve their insufficient means of payment (failing to see that insufficient means of payment is finally caused by insufficient demand) and later, the focus of loans is shifted to the circulation link in hopes of giving play to their reservoir role (failing to see that stock that is shifted from industrial enterprises to circulation enterprises is not the final selling of products). Having taking these tortuous routes, we come to clearly know that investments must be suitably increased and with an increase in investments and under the function of the multiplier mechanism, the market of the means of production and the building market become brisk and will bring along an increase in income as well as the consumer goods market.

Maintaining a suitable investment scale can avoid both demand inflation and depression. This should be the first lesson we draw from macroeconomic operation in recent years.

**2. Credit expansion does not necessarily give rise to a price rise.**

As mentioned by a previous article, in the light of the bank credit phenomenon since 1989, including a rapid increase in M2, many comrades had predicted in recent years that inflation would appear in 1990. Once inflation did not appear, they maintained that the time lag of

currency and prices is extended or that although inflation does not emerge, its pressure increases. Practice in recent years proves that these viewpoints are untenable.

We know that most bank loans are loans for circulating funds that create intermediate demand and that whether or not their increase will bring about a price rise is determined by whether or not two major conditions are fulfilled. The first condition is how much bank credit can be transformed into ultimate demand, in other words, what the state of ultimate demand, including consumption, investments, and exports, is while intermediate demand is increasing. When ultimate demand is ample, an increase in intermediate demand can bring about an increase in realizable (marketing) national product but not necessarily a price rise (this is the situation since October 1990). When ultimate demand is insufficient, an increase in intermediate demand can only give rise to an increase in stock, let alone growth production and a price rise (this was the situation from August 1989 to October 1990). The second condition is whether or not the economy has attained the extent of full employment, namely, whether or not idle productive capacity exists. If full employment is not attained, an increase in bank loans, even accompanied by ultimate demand, can only make production increase but will not stabilize prices. If the industrial growth rate caused by intermediate demand is greater than the rate of increase in practical ultimate demand, stock will increase. At this time, when idle productive capacity is transformed into products kept in stock, prices will remain stable. Only when the national economy reaches or approximates full employment and the utilization ratio of the productive capacity of certain departments becomes saturated and becomes a bottleneck for further growth, an increase in bank credit—intermediate demand—this time will cause a price rise, other than an increase in industrial production. At that time, we can say that there is a directly interrelated relation between bank credit and prices. If we do not analyze the state of the changes in ultimate demand and study whether resources are idle or not but simply infer the changes in prices merely from the changes in credit currency, this is an extremely undesirable method. The policies and suggestions based on such a conclusion will be harmful to the formulation of scientific macroeconomic policies.

In the course of formulating macroeconomic policies, it is necessary to avoid mechanizing and simplifying the monetarist viewpoint. This is the second important inspiration and lesson macroeconomic operation left us in recent years.

### **3. The ability of the macroeconomic policies to regulate residents' consumption is limited.**

In the face of insufficient demand, the slack market, and a continuous increase in savings deposits brought about by a drop in investments, some people place the "key" to setting the market in motion on consumption. Under the influence of such a viewpoint, the central government will adopt a number of measures to stimulate consumption. For example, the interest for savings deposits is

reduced, inflation-proof savings are abolished, and commodity prices are lowered. On the whole, the results of these measures are not obvious. Their profound mystery lies in that consumption is the individual behavior of urban residents. The part that the state plays in regulating and controlling consumption is not greater than that the state plays in regulating and controlling investments. Can the macroeconomic policies affect and determine the factors of consumer behavior? As mentioned in the previous article, these factors are: 1) Income. Macroconsumption policies obviously cannot directly affect income. When the peasants' actual income drops, however much you may stimulate consumption, consumption will not be enlivened. 2) Consumer preference. This is basically a psychological factor and the state's consumption policies can do nothing about it. 3) The state of consumer assets held. Once a consumer possesses certain consumer goods, he generally will not buy them again, no matter how you incite him. This is a matter of his income's allocative effect. To a certain extent, changes in prices will affect the consumption structure but will not greatly affect the total measure of consumption. In a word, the ability of the state's macroeconomic policies to regulate consumption is limited and the sole policy channel is income. That is to say, the macroeconomic policies can affect income and further affect consumption through changes in income. Therefore, the state must leave consumption to individuals and the market, allow the consumer preference to guide the market and to further guide the enterprises of the production of the means of consumption and consumer behavior, and further shift the focus of the policies to income. Income and consumption level are regulated through the income policy and, on this basis, savings are encouraged to accumulate capital for the state. As for such a great country like ours, stabilizing consumption, encouraging savings, and giving preferential treatment to investments are the keys to the integration of the macroeconomic and development policies. This is the third inspiration and lesson we have gained.

### **4. The state has been unable to directly control the price level and the state planned adjusted prices effect on the general price level becomes smaller and smaller.**

With the increasing deepening of market-oriented reform and unremitting relaxation of price controls, the items whose prices are directly fixed by the state becomes less and less and the proportion of the prices fixed by the market becomes larger and larger. The amount of transactions according to the market prices has accounted for about two-thirds of the total amount of transactions. This is an important reform of the price-forming mechanism. Under the functions of such a price-forming mechanism, the price level has been basically determined by the size of ultimate demand and the effect of the state adjusted prices on the general price level is greatly weakened. This was an important reason causing the general price level in 1990 and 1991 to be much lower than the planned level. In other words, prices cannot now be controlled by the state price department and the state can only indirectly regulate and control prices through controlling ultimate demand. Except for the public utilities belonging to the natural

monopoly departments, such as railroads, aviation, running water, and electric power, and a small quantity of monopoly commercial business, including grain, not only is the effect of the state adjusted prices on the general price level reduced, but also whether or not the planned prices can be raised depends on market demand. If market demand is insufficient, the state procurement prices are merely like drawing cakes to allay hunger and will not become the prices in actual transactions. This phenomenon gives us the fourth inspiration, which is: 1) As long as ultimate demand is properly controlled, prices will be stable; 2) the role of the planned prices of the competitive departments has been forfeited; and, 3) the state price organs' ability to affect the general price level drops greatly.

### Price Reform Proceeding With 'Caution'

*OW2902163392 Beijing XINHUA in English  
1459 GMT 29 Feb 92*

[Text] Beijing, February 29 (XINHUA)—China is pressing ahead with price reform with caution, in tandem with the enacting of more economic reforms this year.

The price reform will be carried out step by step during the Eighth Five-Year Plan period (1991-1995) to avoid inflation, with the further readjusting of unreasonable prices and in-depth reform of the price administrative system in order to combine market regulation with the planned economy.

The rise in prices this year will be strictly held under six percent.

Prices of basic goods and facilities involving energy resources, raw materials and communications are to be increased promptly in an effort to boost these sectors.

China is also willing to moderately raise the selling prices of grain and edible oil, which are said to be still artificially low. The country increased the purchasing prices for rice, maize and wheat last month to ease the burden of subsidies on the state and to further invigorate agriculture.

The "two-tier pricing system", in which most raw materials are under the state control at artificially low prices while small amounts are made available for sale at market prices, will be integrated.

Generally, more prices will be freed, especially for over-supplied products.

The housing reform, which started this year in cities, is also part of the price reform, mainly aimed at raising rents from one percent to five percent of the family income to ease the heavy burden of subsidies on the state.

According to the State Price Bureau, the purpose of China's price reform is to enhance the people's living

standards. Therefore, the benefits of the state, enterprises and residents will be equally considered and the rise in prices of daily-use commodities should be approached cautiously.

Theoretically, sociologists are optimistic about the price reform. "The brisk market, control of inflation and steady growth of the economy all make further price reforms feasible," said Zhang Zhuoyuan, director of the Financial Research Institute of the Chinese Academy of Social Sciences.

According to him, China's price reform efforts have achieved break-throughs in the past 12 years.

For example, purchase prices for farm by-products have risen by 174 percent since 1978; prices of mining products, by 150 percent; and industrial raw materials, by 130 percent. "A new system which allows various forms of flexible prices to exist now has taken shape in China," Zhang added.

The government now controls only 29.7 percent of retail dealer prices. As for farm produce, fixed quotas and prices account only for 25 percent; 55.6 percent of the prices of industrial raw materials are market-controlled.

Producers and managers now have full authority on about two thirds of the country's price decisions.

To ensure a balance between market demands and supply and curb inflation, China will set up price administrative bodies at central and local levels while a price law is being drafted.

A nationwide price information and monitoring network has also been established.

Other measures include setting up the local price fund to encourage by-product production and developing commodity wholesale markets to maintain stable supplies.

Analysts mentioned that the price index has dropped for years despite major price adjustments. Market prices are generally stable now, and some important consumer goods such as television sets have dropped in price.

As a result, the notion that "price reform means price hikes" is no longer common among residents.

Formerly hard-to-get articles of daily use such as buttons and needles are back on the shelves since the market pricing mechanism has made sale of such items profitable. This benefits consumers.

Noted Chinese economist, Xue Muqiao, pointed out that well-stocked stores now make it a buyer's market. This refutes allegations that a socialist state is "doomed to shortages".

Experts noted that market prices will inevitably increase as the price reform is pushed forward; however, an inflation rate under six percent is acceptable.

To stay within that target, the government vows to further reform the systems of salary payment, employment, finance, and trusts and loans to support the price reforms.

### Official Urges Deepening Price Reform

HK2802103092 Beijing GUANGMING RIBAO  
in Chinese 17 Jan 92 p 3

[Article by Ma Kai (7456 0418), deputy director of State Administration of Commodity Prices: "Deepen Price Reform, Enhance Enterprises' Vitality"]

[Text] In the operation of a planned commodity economy, a flexible price formation mechanism constitutes an important source of vitality for enterprises, while both a rational price system and a normal price order will serve as important external conditions under which enterprises carry out fair competition. An important subject currently facing China's price reform and price work is how to provide services for enterprises to enhance their vitality, especially to state-owned large and medium enterprises.

### Price Reform Over Past 12 Years Has Played, and Is Playing, Significant Role in Enhancing Vitality of State-Owned Large and Medium Enterprises

For a considerable period of time before the Third Plenary Session of the 11th CPC Central Committee, due to various historical, theoretical, and operational reasons, China matched its price control system to its excessively concentrated economic management system. China's price control system had the following prominent problems: 1) price control was unduly unitary, 2) the price policy decisionmaking system was excessively concentrated, and 3) the price formation mechanism was inflexible. Alongside the entire economic structural reform which is now developing in depth, the excessively concentrated traditional economic structure is being gradually transformed to a new system under the planned commodity economy. Conforming to the inherent requirements of economic restructuring as well as to the development of the planned commodity economy, significant breakthroughs have also been registered in price reform, which help expedite the development of the commodity economy; maintain a stable national economic growth; and enhance the vitality of enterprises, especially large and medium enterprises, on a constant basis.

First, the price reform over the past 12 years has made fundamental changes to the unduly unitary price control of the past and an operational structure has been initially set up wherein the fixed prices and guiding prices of the state and market-regulated prices coexist. Significant changes have also taken place in the excessively concentrated structure of price policy decisionmaking bodies and a new price policy decisionmaking system has been initially established consisting of three major price policy decisionmaking bodies in the central authorities, localities, and enterprises. In addition, enterprises of all

economic types and in all industries and trades have been granted autonomy, to varying degrees, to make their own price policy decisions. Obvious improvement has taken place in the previously stagnant price operation and a flexible market mechanism not only dominates the changes of market-regulated prices but also plays an increasingly important part in the formation and readjustment of the state's fixed prices and guiding prices. By 1990, the proportion of the state's fixed prices accounted for only 29.7 percent of the total volume of retail sales, 25.5 percent of the total purchasing volume of agricultural products, and 44.4 percent of the means of industrial production. These figures are down by 67.3, 69.2, and 55.6 percent respectively compared to 1978. Such a situation clearly shows that, if calculated in terms of society-wide aggregate commodity prices, direct manufacturers and managers, who were not basically granted any autonomy to fix prices in the past, have now obtained such autonomy to varying degrees to fix the prices of about two-thirds of commodities on a society-wide scale. State-owned large and medium enterprises of all industries and trades have already obtained price-fixing autonomy to varying degrees. As a result, the expanded price-fixing autonomy has injected vitality into enterprises, helping them carry out independent operation and development.

Second, after 12 years of price reform the state has, through making readjustments and relaxing price control, succeeded in readjusting and lifting control over prices, step by step in a planned way. Such a move has not only enabled China's capital industries, in which state-run large and medium enterprises are the mainstays, to raise their unduly low prices but has also alleviated the difficulties facing enterprises on a constant basis. In China, the more industries and trades at the forefront of the production sequence, the larger is the proportion of state-owned large and medium enterprises (for example, the mining industry). In addition, for a long time, the prices of products turned out by these industries and trades have been lower than production post-sequence [hou xu lie 0683 1645 0441] products (mainly processing industry products). All this serves as a major reason why these industries and enterprises are plagued by difficulties and thus lack vitality. Alongside the development of price reform, improvement has begun to be seen in the seriously distorted price structure. In comparison with 1978, of all industrial products, the prices of products turned out by the mining industry in 1991 was up by 152.2 percent; prices of raw and semi-finished industrial materials, by 116.9 percent; and prices of products turned out by processing industries, by 97 percent. From this ladder-like structure, we can see that the previous irrational structure featured by the unduly low prices of primary products and excessively high prices of processed products is currently changing overall. Such a situation will help alleviate the difficulties of state-owned large and medium enterprises in capital industries and bring about reasonable development in the industrial structure.

**Irrational Prices Remain One of Major Factors  
Dampening Vitality of State-Owned Large and Medium Enterprises**

The price reform over the past 12 years has attained results recognized worldwide and has positively helped to enhance the vitality of state-owned large and medium enterprises. However, due to the influence of various factors, many problems caused by irrational prices still exist and these problems are more serious in some places. As a result, these problems have inevitably produced a negative impact on the development of the national economy. Judging from the angle of properly running state-owned large and medium enterprises, the major problems concerning prices are currently reflected in the following aspects:

1. The state fails to grant price-fixing autonomy to enterprises in real terms. Over the past 12 years, the state has relaxed control on prices of a considerable number of products. That is, the state allows enterprises to determine prices of their own products instead of fixing prices for them. However, the price-fixing autonomy is often cut off in some localities and in some trades. After the central authorities lift the price control over certain varieties, local authorities impose new controls; after governments of provinces, autonomous regions, and municipalities lift the price control over certain varieties, governments at lower levels impose new controls; and after departments in charge of prices lift control over certain varieties, departments in charge of business operation impose new control. Moreover, excessive government price control still exists, affecting work at the central, local, and enterprise levels. This problem is particularly prominent in the prices of industrial products. To date, the production prices of 733 varieties of the means of production, in 47 categories, are still under the control of the central authorities.

2. The price structure is irrational. One prominent expression of China's irrational price structure is that the prices of primary products fixed by the state are unduly low and that the pillar enterprises turning out primary products are all state-owned large and medium enterprises. Due to strong planned control and unduly low planned prices in these industries and trades, some enterprises can only gain meager profits and others suffer losses. Comprehensive losses can even be registered in certain industries (for example, crude oil recovery and state-controlled coal), which have to rely entirely on state financial subsidies. Such a situation has directly affected the vitality and potential development of enterprises.

3. Price control is not carried out on a uniform basis. In principle, except for certain varieties during certain periods, we should carry out unified price control methods and policies on the same product; otherwise, it is impossible for us to create conditions for fair competition. In reality, however, a practice exists whereby price control is tight on products from state-owned enterprises but loose on products from collective and private enterprises or enterprises of other economic types. Such

a practice has put state-owned large and medium enterprises, which are producing the same goods as smaller ones, in an unfavorable position. In addition, the state has not readjusted its price control methods and price-fixing principles for a long period of time. This also serves as an important factor in dampening the production and management of enterprises.

4. The prices legal system is imperfect. Since China's legal system for market and prices is still imperfect, strong and effective legal restrictions are still lacking for such malpractices as infringing on the price-fixing autonomy of enterprises, discriminating local prices, monopolizing prices for certain trades and enterprises, and imposing arbitrary fees and production quotas on enterprises. Under such circumstances, it is hard for us to safeguard enterprises' legitimate rights and interests on prices.

5. Relevant policies fail to play a supporting role. In some enterprises, the scope and degree of planned control on production quotas, material supply, and price patterns are not properly coordinated; moreover, neither the state-stipulated proportions inside and outside the state plan, nor the ratio of state-fixed prices and negotiated prices on both input and output goods, match each other. Although control on the prices of some input goods has been completely or largely lifted, price control is again completely or largely imposed on output goods. Sometimes, things will go just the opposite way. Facing basically the same mandatory production quotas, some enterprises see reductions, or even drastic reductions, year after year on the proportion of planned supplies of energy and raw and semi-finished materials at state-set prices, while the proportion of energy and semifinished materials purchased at negotiated prices is going up annually. With the addition of excessive and inflexible price control, these enterprises find it hard to enhance their economic efficiency and some of them have even begun suffering losses.

**Persistently Carry Out Reform, Advance Steadily, and Create Sound Price Environment for State-Owned Large and Medium Enterprises**

The aforementioned price problems, which hinder the development of state-owned large and medium enterprises, only serve to show, from the angle of enterprises, that China's price structure and price operational mechanism are still distorted and inflexible. This requires us, in light of the inherent demands of the new system of the planned commodity economy and the economic operational mechanism whereby a planned economy is integrated with market regulation, to closely center around the central link of enlivening enterprises, especially state-owned large and medium enterprises; expedite price reform; readjust price policies; and improve our price work step by step in a planned way. To attain this goal, we need to adopt the following measures:

1. Continued efforts should be made to reform the price control system and grant, and expand, price-fixing

autonomy to enterprises in real terms. One task, which we need to do at present, is for departments in charge of prices and business operations, at all levels, to make comprehensive checkups on implementation of the price-fixing autonomy granted to enterprises to see whether or not it has been granted to qualified enterprises in real terms. With such price-fixing autonomy, enterprises can independently determine the prices of commodities and operational charges which are subjected to market regulation; work out, within certain limits, concrete prices of such commodities and operational charges which are categorized as state guiding prices; and raise the prices of fine-quality products as well as fixing the prices of new products on trial sales which are under the control of the state, in accordance with relevant stipulations. Simultaneously, steps should be taken to revise and promulgate a catalogue on the division of price control in order to give people a clear idea on the prices of products which are no longer controlled by the state. This will enable both production and business enterprises to determine prices in light of production costs, market supply, and state policies.

2. Price structure should be readjusted, step by step, in a planned way with a view to gradually alleviating the problem wherein the state sets unduly low prices on products turned out by capital industries. Our efforts should be focused on alleviating the problem concerning the unduly low state-set prices of energy products and some major raw and semifinished materials. It should be noted that the problem of unduly low state-set prices for these products is a long-standing problem which has built up over the years; moreover, because primary products with natural resources as their labor objects are affected by factors such as deteriorating natural conditions and decreasing resource revenues, progressive costs are an unavoidable trend. In addition, price rises on these products will produce a relatively great influence on all links in the economic operation as well as on all aspects of our social life. Such being the case, we are therefore required, on the basis of thoroughgoing and systematic investigations and studies, to clearly define the concrete orientation, goals, methods, and relevant supporting policies guiding the price reform of these products; work out long-term programs; and bring these programs into annual production plans and implement them, step by step, in a comprehensive way.

3. Control of planned prices should be improved in accordance with the operational requirements of the planned commodity economy. State-controlled prices should also be "live" instead of "dead." The formation of these prices should not only reflect the requirements of the planned economy but also give play to the role of the market mechanism and the requirements of laws guiding value, supply and demand, and competitiveness. To this end, we must make vigorous studies and seize timely opportunities to revise outdated price-fixing methods and price-calculating formulae, so that state-set prices can operate along concrete paths within a rational mechanism.

4. Continued efforts should be made to rectify price order, check the arbitrary imposition of charges, and lighten the burdens of enterprises in a down-to-earth manner. With efforts during the past year, departments in charge of prices have achieved results at the present stage of checking arbitrary imposition of charges. Initial statistics for the first half of 1991 show that the arbitrarily imposed charges checked by all localities throughout the country are adequate to lighten enterprises and the masses of an annual burden of some 3.3 billion yuan. This work should continue to be carried out in depth. Resolute efforts should be made to abolish the existing irrational imposition of charges on administrative organs and other institutions, merge duplicated charge impositions, and lower excessively high standards of charges appropriately. Moreover, we should also centralize control over charge impositions on administrative organs and other institutions through appropriate legislation.

5. Functions and roles should be changed to provide vigorous services to state-owned large and medium enterprises. Governmental departments in charge of prices should adapt their functions and roles to the development of the planned commodity economy, and to the requirement to properly run state-owned large and medium enterprises, and change themselves from the pure management type to the type combining both management and service. Steps should be taken to guide enterprises to intensify internal auditing and price control, make correct use of price-fixing autonomy, enhance skills in determining prices, and help activate enterprises. A perfect price information network should be set up and multiform methods adopted to provide enterprises with diversified price information and consultation services. Earnest efforts should be made to safeguard enterprises' legitimate rights and interests on prices; help enterprises enhance their consciousness in implementing policies, rules, and regulations guiding commodity prices; and give impetus to enterprises in their efforts to set up and perfect the self-restrictive price mechanism. In addition, departments in charge of prices should also try to perfect their internal management system and enhance their work efficiency and their timeliness in making policy decisions.

#### 'Substandard Firms' Targeted by Quality Campaign

HK2902044792 Beijing CHINA DAILY in English  
29 Feb 92 p 3

[By staff reporter: "Firms Get Rude Awakening Over Quality Control"]

[Text] Dozens of factories found to be making substandard goods have been penalized, as the nationwide drive to expose quality problems gains momentum.

They have been ordered to stop production — been heavily punished, with some factory managers being removed from their posts.

The five-month quality survey, which began early this month, is being conducted by journalists from more than 10 national news media agencies as well as experts and officials from leading quality control departments such as the State Bureau of Technical Supervision and the China Quality Control Association.

The move is an extension of "1991, the Year of Quality, Variety and Efficiency" and aims to instill a deep sense of national pride in quality, according to officials.

The Qingdao "whisky case", in which insects and pieces of rubber were found in bottles of whisky, was the first quality case exposed by the survey.

The well-known Qingdao Grape Wine Factory is now "drinking" the bitter wine it brewed, and has been banned from exporting its product. Some factories including the city's Number Two Food Factory and the Qingdao General Refrigerator Factory are opening their eyes wider for quality control and beginning to strengthen quality management through adopting more strict and effective measures.

Also in Qingdao, 32 factories and marketing departments engaged in construction materials production and management have been ordered to stop production or been heavily fined, as a result of a comprehensive inspection made by the city government following the whisky revelations.

Three factory managers have been dismissed for their poor performance as an enterprise leader and other concerned people are being investigated.

Rampant manufacturing and marketing of poorly-made products, which have seriously hurt the economy and consumers' trust, will be handled without mercy. Those who will not change will be out of job and their companies out of business, said Zhu Yuli, head of the State Bureau for Technical Supervision.

In Tianjin and Beijing, about 40 food factories have stopped production and are restructuring after their products were found to be poorly made.

The Jinxing Store, a shop in Beijing's busiest shopping street of Wangfujing, has been ordered to close for re-organization after fake leather shoes were discovered among its stock by quality inspectors. It was the first shop punished by departments concerned since Wangfujing vowed to get rid of shoddy goods earlier this month.

In Guangdong and Shanghai, the names of some sub-standard commodity producers have been exposed in local newspapers.

The crackdown on counterfeit and substandard products has also seen progress in Anhui, where incomplete statistics showed that 204 gangs or centres making counterfeit goods have been eliminated, 49 people arrested and fake products such as shoddy liquor, cigarettes and fertilizers worth 24.74 million yuan (\$4.58 million) have been confiscated.

In the coastal city of Xiamen, 135 barbers who were found to have used poor-quality shampoos for consumers but charged them top prices have published a letter of regret to consumers in a local newspaper at their own expense.

### Campaign Targets 'Fake' Wool Products

*HK2802100992 Beijing CHINA DAILY in English  
28 Feb 92 p 3*

[By staff reporter Wang Rong: "Fake Wool Products Targeted"]

[Text] A campaign is in full swing to fight fake wool products in Beijing and Shanghai, where fakes tagged with the world-recognized-mark of quality woolen products enjoy a sizable market.

The campaign waged last November in Beijing resulted in charges against some 10 private stores in three of Beijing's business centres, including Wangfujing, for selling fake wool suits and sweaters, it was revealed on Wednesday at a news conference held by the International Wool Secretariat (IWS) in Beijing.

IWS warned of tough actions in store for businesses selling the fake products.

"The campaign is only the beginning. We already have a list of the profiteers," said Emerick Sit, group manager of IWS's Woolmark/Technical Services.

The flourishing underground industry has been fueled by easy access to fake trademarks.

In the case of woolmarks, fake ones can be bought in flea markets, such as the Yuyuan Mall in Shanghai, where similar actions are being taken to stop the flood of phony tags.

The Beijing campaign has resulted in the seizure of nearly 200 fake suit and sweaters. Shipped in since last July, mostly from the free-wheeling southern and eastern coastal provinces of Guangdong, Zhejiang and Fujian as well as Hebei in northern China, the fakes were shoddy and tagged with false woolmarks but actually made of blended fabric or chemical fibre. Sixty fake products were sold at prices ranging from 30 yuan (\$5.56) to 2,000 yuan (\$370.37).

The stores were fined and the remaining fake products confiscated by municipal authorities, who are tracking down the producers of the fake products and false woolmarks.

The seizure might account for only 1 percent of the fakes circulating on the mainland, but the action itself serves as an admonishment, an IWS official said.

**Fishing Fleets To Increase Foreign Operations**

HK2802095692 Beijing CHINA DAILY in English  
28 Feb 92 p 2

[By staff reporter Wu Yunhe: "Deep-Sea Fishing To Expand"]

[Text] Chinese fishing fleets will soon push deeper into foreign waters as a result of burgeoning international co-operation.

China National Fisheries Corporation, the nation's largest fishing concern, plans to send 40 boats to improve the deep-sea fishing capacity of its fleets this year, a company official said.

"After five years of fishing in waters off North and South America, West Africa and in the Pacific, China has found deep-sea fishing rewarding, especially because the fish stocks along its own coast are deteriorating," he said.

The size of the boats ranges from the 300 to 3,000 dead weight tons, considered decisive to China's deep-sea fishing industry, which sent its first ocean-going fishing fleet to the West African coast in 1985, he added.

Currently, under a series of bilateral agreements, there are 167 deep-sea fishing boats operating mainly in waters off the former Soviet Union, the United States, Uruguay, Argentina, Palau, Las Palmas, Morocco, Senegal, Guinea Bissau, Sierra Leone and Nigeria.

The company plans to seek more co-operative partners in developing countries in order to strengthen friendly ties and share mutual benefits with them.

"We will establish overseas business departments to zero in on the development of markets in East Africa, Southwest Africa and the Pacific," he noted.

Vietnam and Peru are currently two of the most promising countries for deep-sea fishing co-operation.

The company's trawlers already abroad now have a total annual fishing and processing capacity of more than 100,000 tons, with 60 percent of this output sold on the overseas markets.

He expects the number of overseas fishing fleets will increase to 260 boats by 1995 in order to ensure a continuous increase in overseas business.

The company has not only exported Chinese-made deep sea fishing vessels and facilities, but also imported a number of modern large-sized fishing vessels and equipment.

While the company does sell its fish on the world market, it also ships back a large amount of fish to meet the domestic market demands.

This year, China National Fisheries Corporation will ship back at least 35,000 tons of fish, representing an increase of nearly 13 percent over last year.

**Commentary on Agricultural Progress in Rural Areas**

OW2702222492 Beijing XINHUA Domestic Service  
in Chinese 0645 GMT 27 Feb 92

[Commentary by reporter Ma Chengguang (7456 2052 1639): "Historic Changes Are Taking Place in China's Agriculture and Rural Areas"]

[Text] Beijing, 27 Feb (XINHUA)—After more than 10 years of reform and opening to the outside world, historic changes are taking place in China's agriculture and rural areas, where over 80 percent of the country's total population live [Beijing XINHUA Domestic Service in Chinese at 1452 GMT on 27 February transmits a correction to the preceding sentence, deleting the words "where over 80 percent of the country's population live"]. By making concerted efforts, the whole country has initially found a way with Chinese characteristics to successfully build new socialist villages—by continuing to implement the household contract responsibility system with remuneration linked to output, by constantly improving the dual management system that combines household with collective operations, by vigorously developing the socialized service system, and by gradually strengthening the collective economy. Four changes are taking place in the course of development:

Shifting from just having enough food and clothing to leading fairly comfortable lives. The problem of "starvation" that has plagued the Chinese people scattered over a land of 9.6 million square km for hundreds and thousands of years is finally basically settled today. Even in poor areas, more than 90 percent of the poor population are no longer worrying about food and clothing. Peasants in provinces along the east coast and suburbs of large and medium cities, accounting for more than half of the total population, have achieved a well-to-do living standard while striving for comfortable lives. The annual income of peasants in municipalities and provinces such as Beijing, Shanghai, Tianjin, and Zhejiang has remained above 1,000 yuan for many years. This has laid a firm foundation for people of the whole country to achieve comfortable lives.

Shifting from traditional farming to preliminary modernization. Thanks to the concerted efforts of all walks of life over the past 10 years or so, material equipment, scientific and technological progress, management, administration, quality of labor, and other agricultural aspects have all taken a giant stride toward preliminary modernization. This has reversed the backwardness of China's traditional agriculture to some extent. The aggregate power of agricultural machinery throughout the country has reached 300 million horsepower, and mechanized ploughing is realized on over 50 percent of China's cultivated land. China has become the third largest chemical fertilizer and pesticide producer in the world, and the chemical fertilizers it consumed are twice the amount used 10 years ago. Electricity is used in 80 percent of Chinese peasant households, whereas irrigation systems have been built on over 50 percent of

China's farmland; the techniques of sprinkling and drip irrigation and plastic sheeting for farming are more and more widely used in agricultural production. The work of agricultural standardization has been implemented in an all-around way. In rural grass-roots units, some one million scientists and technicians teach peasants scientific farming every year. The close coordination among agriculture, science, and education has become an important factor for the stable development of China's agriculture and rural areas.

Shifting from simply pursuing high yields to seeking high yields, good quality, low cost, and high efficiency. This is one of the important signs marking the great upgrading of China's agricultural production and the transition of the Chinese peasants toward comfortable lives. To feed the whole nation, China simply pursued high yields and still higher yields in agriculture over the years; however, what such a single agricultural economy brought to the people were low-level food and clothing supplies in some areas at most. Over 10 years or more of reform, the situation in rural areas has greatly changed. Having basically solved the problem of food and clothing around the country, rising production levels and enhancing efficiency concepts have become topics for lively discussion. A number of provinces and cities around the country have started to improve traditional crop strains, and many places in south China are growing good-quality rice in large areas. Eighty percent of livestock and poultry breeds around the country have been improved. Consumers are now demanding quality instead of quantity in urban and rural markets nationwide. High quality and efficiency have become the general trend of China's agricultural development for the future.

Shifting from single-type agriculture to mutual promotion of agriculture and industry. This can be attributed to the "rapid rise" of village and town enterprises. To date, China's village and town enterprises have created a large industrial force of nearly 100 million peasants, with more than 1,000 billion yuan in total output value per year. More than half of the peasants' income comes from village and town enterprises and other nonagricultural industries. The development of village and town enterprises completely put the backwardness of Chinese peasants, who were simply engaged in farming, to an end. An economic setup based on agriculture and dominated by village and town enterprises has taken shape in most of China's rural areas. Agriculture and industry supplement and promote each other. Agriculture is a reliable "rear base" of village and town enterprises, which in turn "back" agriculture and all rural areas to shake off poverty and become prosperous. Such an economic setup characterized by the mutual promotion of agriculture and industry is a strong guarantee for China's rural areas to achieve a comfortable standard of living.

#### 'Roundup' Views Comprehensive Agriculture

OW0103112992 Beijing XINHUA Domestic Service  
in Chinese 0349 GMT 1 Mar 92

[("Roundup" by Wang Yanbin (3769 6066 1755))]

[Text] Beijing, 1 Mar (XINHUA)—New Strategic Measure To Develop Agriculture Launched

China's agricultural sector has been making achievements that have been attracting worldwide attention since the establishment of New China. Feeding 22 percent of the world's population with seven percent of the world's farmland is an internationally outstanding achievement. However, with China's annual population growth rate of about 16 million and the reduction of hundreds of mu of farmland each year, the situation of agricultural production is becoming increasingly severe. It would not be enough just to rely on resources already developed and on the existing level of production; new means of agricultural development must be explored.

In 1988, the State Council decided to adopt a strategic measure on agriculture: To establish an agricultural development fund to carry out comprehensive development of agricultural resources on a large-scale basis.

Since then, the scope of comprehensive agricultural development has grown yearly; from 11 localities in 11 provinces and regions established in 1988, it now spreads across 42 localities in China's 37 provinces and cities with provincial-level economic decision-making authority, encompassing nearly 900 counties (cities, prefectures) and a group of state-run farms.

According to regulations, funds for comprehensive agricultural development should be equally divided between state investment, bank loans, and funds raised by the locality and the peasants. During the 1988-91 period, the centrally controlled agricultural development fund released a total of 5 billion yuan; more than 15 billion yuan was invested by local supplementary funds, the masses' pooled funds, and special loans from the Agricultural Bank of China.

#### What Did Development Bring?

When Shandong Province experienced a severe drought in 1989, agricultural output of localities implementing comprehensive agricultural development projects not only did not decrease, but greatly increased instead.

Heilongjiang Province on the northeastern frontier was hit by severe floods in 1991, and 10 percent of the province's farmland was affected and ceased production. What surprised the agricultural statistics department was that food grain output after the autumn harvest continued to increase, rising from the initially estimated 21 billion kg to 23 billion kg, which is very close to the highest amount recorded in history.

All localities across the nation implementing development projects have successively reported victories since 1988, and the comprehensive development efforts have achieved substantial results. In the last three years, localities implementing comprehensive agricultural development have transformed some 65 million mu of low- and medium-yield farmland, opened up some 10

million mu of wasteland suitable for agricultural use, and increased and improved irrigation on a total area of some 70 million mu.

More importantly, comprehensive agricultural development has enhanced the potential of agricultural development. Three years of development and rectification has enabled localities implementing development projects to realize incremental output of some 11.5 billion kg of food grains, some 360,000 tonnes of cotton, 588,000 tonnes of oil-bearing crops, 650,000 tonnes of meat products, and 4.488 million tones of sugar crops.

#### **What Is the Extent of Development Potential?**

Regarding the depth of development, low- and medium-yield farmlands represent about 70 percent of China's existing cultivated land, totaling more than 1 billion mu. Should each mu increase output by 100 kg after transformation, the increase would be about 100 billion kg. The actual output increase of all localities has far exceeded the 10-billion-kg mark. This can be termed an important avenue for China's food grain output to attain the new heights of 450 billion kg and 500 billion kg from a total of 400 billion kg.

Regarding the range of development, there are still some 500 million mu of wasteland throughout the nation suitable for agricultural use; 100-200 million mu may be developed in the short or medium term, and there are some 30 million mu of waste tidal land. In particular, a substantial production force can be formed especially when the some 5 billion mu of grasslands, grass hills, and grass slopes are also comprehensively developed for use.

#### **Cooperatives Aid Rural Social Services**

*HK2802101292 Beijing CHINA DAILY in English  
28 Feb 92 p 3*

[By staff reporter Ma Zhiping: "Co-Ops Aid Rural Social Services"]

[Text] China's supply and marketing cooperatives, which serve as the economic bridge between the country's 900 million farmers and the government, have begun pilot efforts to establish a social service network in 105 selected counties, according to He Jihai, deputy minister of commerce.

This is the first move taken by the collectively owned co-operatives, the country's key force for developing

social service systems in rural areas, to advance the rural economy and produce more commodities.

"Developing a rural social service network is an important part of China's second-stage rural economic reform. Supply and marketing co-operatives, with an advantage of rich material resources and numerous business outlets, are set to play a greater role in serving farmers and agriculture and building local co-ops into multi-purpose service centres," He said yesterday at the opening ceremony of a five-day national conference attended by leading co-operative managers from around the country.

According to He, special production and marketing co-operatives have or are being set up in the pilot counties. They will assist farmers in growing popular products and provide them with scientific services—from quality seed supply to processing of agricultural products.

The experimental counties, scattered from the north to the south in China, except for the Tibet Autonomous Region, are specialized in various kinds of agricultural production, from grain to vegetable and animal husbandry.

And the State will support each of the pilot counties with 20 million yuan (\$3.7 million) to develop their social service networks, which will upgrade the local rural economy to a higher level, according to an official from the ministry.

The vice minister said another national conference will be held later this year to summarize the experience the pilot counties will gain in building social service networks.

He added that the supply and marketing co-operatives have made a good start in recent years in developing service systems.

More than 32,000 associations specialized in scientific and technical services have been set up with the support of the supply and marketing co-operatives, which have also helped build over 23,600 crop clinics and 35,000 agricultural advisory service stations.

The co-ops have also made considerable progress in promoting the construction of "commodity production bases" in rural areas, which have greatly enriched life in cities, according to the vice minister of commerce.

**East Region****Anhui Congress Standing Committee Meeting Ends**

*OW0303010592 Hefei Anhui People's Radio Network in Mandarin 1100 GMT 1 Mar 92*

[From the "Provincial Hookup" program]

[Text] The 29th meeting of the Standing Committee of the Seventh Anhui Provincial People's Congress ended yesterday afternoon. Chairman Wang Guangyu attended and Vice Chairman Zheng Rui presided over the meeting. The meeting examined, discussed, and approved the measures for implementation of the law on the protection of wildlife animals in Anhui Province, a draft agenda for the Fifth Session of the Seventh Anhui Provincial People's Congress, and a draft namelist for its presidium, which will be submitted to the Preparatory Meeting for the Fifth Session of the Seventh Anhui Provincial People's Congress for examination and approval.

At the group discussion meeting held on the afternoon of 28 February and the joint meeting held on the morning of 29 February, members examined and discussed a report on the commercial situation in our province. Members pointed out: In our endeavor to further deepen reform of the commercial system and change the operating mechanism, we must have a broader perspective of thinking, become more bold, and accelerate the implementation of the four modernizations. It is necessary for us to make vigorous efforts to consolidate and amplify the socialist public-owned economy; give full play to the role of state-run businesses as the main channel; improve macroeconomic regulation and control; really do a good job of exercising effective control over large businesses, wholesale operations, and the means of production and means of subsistence which have a bearing on the national economy and the people's livelihood, and delegating economic decisionmaking powers to small businesses, retail operations, and departments in charge of other goods and materials; draw up appropriate policies and measures to increase the economic returns of state-run and collective businesses; and, meanwhile, give free rein to the positive role played by the self-employed and privately-run businesses, restrict their negative role, and guide them to achieve sound development.

Members also made suggestions on how to consolidate the wholesale market; prohibit counterfeit commodities of inferior quality from being put on display in stores for sale; sternly investigate and punish those who are engaged in speculation, profiteering, and tax evasion; work successfully in promoting development of various businesses; conscientiously improve attitudes when providing service to customers and improve service quality; and address the problems existing in business activities according to the law.

Ying Yiquan, Kang Zhijie, Chen Tingyuan, Chen Tianren, and Du Hongben, vice chairmen of the Standing

Committee of the Anhui Provincial People's Congress, attended the meeting. Long Nian, vice governor of the Provincial People's Government, Wang Chengle, president of the Provincial Higher People's Court, and Feng Jianhua, chief procurator of the Provincial People's Procuratorate, were present at the meeting as observers.

**Chen Huanyou Outlines Plans for Economic Reform**

*OW0203141792 Nanjing Jiangsu People's Radio Network in Mandarin 1015 GMT 1 Mar 92*

[From the "News" program]

[Text] Speaking at a provincial conference on economic restructuring, Governor Chen Huanyou stressed that this year, the people of the whole province should emancipate their minds, boldly explore, expand the scope of reform, accelerate the pace of reform, and accelerate the establishment of an operative mechanism for integrating a planned economy with market regulation.

Chen Huanyou said: Accelerating the establishment of an economic operative mechanism for integrating a planned economy with market regulation is the objective need of economic development and a basic requirement for structural reform. To accomplish this task, we must implement the party's basic line in an all-round way, push forward reform and opening to the outside world, and make economic construction our central task. Revolution is able to emancipate the forces of production; reform is also able to emancipate the forces of production. To show that socialism is superior to capitalism, we must boldly absorb and make use of some fruits of civilization created by mankind and absorb and make use of all the advanced modes of operation and management methods of the contemporary world, including the developed capitalist countries, that reflect the laws governing modern socialized production. The criterion for selecting modes of operation and management methods should hinge on whether they are conducive to developing socialist productive forces, to enhancing the aggregate strength of the socialist state, and to improving the people's standard of living.

Speaking on how to accelerate the establishment of an economic operative mechanism for integrating a planned economy with market regulations, and how to further expand the role of market regulations in light of Jiangsu's reality, Chen Huanyou pointed out: In the 1990's Jiangsu aims to fulfill the second-step strategic objective of raising its economy to a new level and establishing an operative mechanism for integrating a planned economy with market regulations. This is an extremely important task. We must make determined efforts to find the solution by further expanding the role of market regulation. This requires that we expand the scope of reform, accelerate the pace of reform, and work hard to transform the economic operative mechanism. Specific measures for accomplishing this task can be summarized as follows:

1. Further improve state-run large and medium enterprises by deepening enterprise reform.
2. Deepen reform of the commodity circulation system and strengthen the building of the market system.
3. Reform the housing system and the social insurance systems simultaneously.
4. Raise work efficiency by taking the initiative to transform the function and method of economic management, and deepen the reform to solve the more complicated problems affecting social stability and economic development.

In conclusion, Chen Huanyou pointed out: The success of this year's reform lies in strengthening leadership. Therefore, leaders at all levels should take the lead in emancipating their minds, enhance their awareness of the need for reform and opening to the outside world, and attaching importance and strengthening media propaganda on reform. Governments at all levels should, as always, attach importance to economic structural reform, make reform an important item on their agenda, carry out reform effectively, and greet the 14th National Congress of the party with new achievements in reform, opening to the outside world, and economic construction.

The provincial conference on economic restructuring was held by the provincial government in Nanjing from 27 February to 1 March. Vice Governor Wu Xijun presided over today's conference. Leading comrades, including Zhang Yaohua and Dai Shunzhi, attended the conference.

#### **Wu Guanzheng Addresses Mobilization Meeting**

*HK0203150192 Nanchang Jiangxi People's Radio Network in Mandarin 1100 GMT 27 Feb 92*

[Excerpts] So far this year Jiangxi has put forward three major reform plans: Building an industrial corridor from Nanchang to Jiujiang with a 140-km expressway; carrying out an experiment with comprehensive reform at Zhangshu City in accordance with Jiangxi's economic operation mechanism; and drawing on the management of foreign-funded enterprises to reform enterprise operating mechanisms on a wide scale. These are important strategic measures taken by the Jiangxi people, who have made remarkable results in economic improvement and rectification over the last few years, for further promoting economic development.

The provincial party committee and government called a mobilization meeting for cadres at section head level and above on 22 February. At the meeting Governor Wu Guanzheng called on the people across the province to further emancipate their minds, act in a bolder way, and take more liberal measures to get the following jobs well done:

First, the further construction of the industrial corridor, which extends from the provincial capital Nanchang in the south to Jiujiang, a port which is open to other parts of the province and to neighboring provinces, in the

north. It will take 30 years to build up the corridor together with the expressway, namely, Jiangxi's new industrial strip, in three steps in accordance with the economic development pattern which centers on industrial development. The industrial strip is expected to stimulate the speedy and coordinated development of primary and tertiary industries. It is estimated that the proportion of the industrial strip's total industrial output value will increase to 40 percent from the existing 30 percent of the province's total industrial output value by 2000. [passage omitted]

Second, the pilot project work for comprehensive reform at Zhangshu City, which is the second major reform project of great strategic importance planned by Jiangxi. [passage omitted] This project was designed to comprehensively explore a new economic operating mechanism combining a planned economy and market regulation, which will bear regional characteristics, and create related specific means, form, methods, and measures. [passage omitted]

Third, the comprehensive project work for changing the operating mechanism of state-owned large and medium enterprises, which is the third major reform project put forward by Jiangxi. [passage omitted]

#### **Addresses Supervisory Meeting**

*HK0303020792 Nanchang Jiangxi People's Radio Network in Mandarin 1100 GMT 29 Feb 92*

[Excerpt] Governor Wu Guanzheng hoped supervisory organs at all levels across the province would, centering around the party's and government's central tasks, thoroughly and comprehensively carry out the party's basic line and conscientiously exercise their supervisory functions in order to play an important role in promoting Jiangxi's political stability and economic development.

Wu Guanzheng made the above statement at the provincial meeting of chiefs of prefectural and city supervisory bureaus, which ended today. He fully reaffirmed the achievements made by supervisory organs [words indistinct] and expressed heartfelt thanks to supervisory cadres across the province on behalf of the provincial party committee and government.

Wu Guanzheng said: In 1992, cadres of supervisory organs at all levels across the province should deepen their understanding of the importance of their work and enhance their sense of mission to properly perform their duties. It is necessary to consistently focus on economic construction, adhere to the four cardinal principles, vigorously push forward reform and opening up, and at the same time carry out the struggle against corruption. This has a great bearing on the success and failure in our efforts to promote reform and opening and economic development and on the rise and fall of the party and state. Therefore while promoting reform and opening to the outside world and economic development, we must combat corruption and maintain the integrity of party and government departments.

Wu Guanzheng emphasized: It is necessary to make a success of this year's publicity campaign. Supervisory organs across the province must further broaden their horizons, properly combine supervisory work with the party's and government's central task, and make concentrated efforts to solve key problems in developing the regional economy, playing their role comprehensively. [passage omitted]

### Jiang Chunyun at Town Enterprise Conference

SK0103143692 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 28 Feb 92

[Text] Further developing and expanding the collective sector of the economy, reducing the differences between urban and rural areas, increasing export volume and foreign exchange earnings, realizing the second-step strategic objective, and enabling the vast rural areas to make a historical leap from having sufficient food and clothing to becoming fairly well off cannot be divorced from the development of town and township enterprises. In working out the economic and social development plan, party committees and governments at various levels and the departments in charge of the overall work across the province should pay attention to grasping the dialectical relationship between development and improvement and adopt realistic measures to support town and township enterprises to make new greater development and elevate themselves to a new high. This requirement was set forth by Jiang Chunyun, secretary of the provincial party committee, at the on-the-spot work conference of town and township enterprises on 27 February.

On 27 February in (Qinghe) Village of Jinan City, Jiang Chunyun, secretary of the provincial party committee; and Li Chunting, Standing Committee member of the provincial party committee and vice governor of the provincial government, especially invited some responsible persons of the provincial-level departments concerned and some town and township enterprise directors and managers to an on-the-spot conference to study specific measures for further developing and improving town and township enterprises. A vivid and lively atmosphere of seeking truth and dealing with concrete deeds permeated the conference. Comrade Jiang Chunyun made a speech at the conclusion of the conference.

After fully affirming the achievements made by the town and township enterprises in the province, he emphatically pointed out: Shandong is a big agricultural province. Some 35 million laborers are concentrated in the rural areas of the province. However, the per capita share of farmland only numbers 1.2 mu. This situation determines that we should take the development of town and township enterprises as a key in realizing the second-step strategic objective and in making a leap from having sufficient food and clothing to becoming fairly well off.

In regard to the concepts guiding the work now and in the near future, Jiang Chunyun said: In line with the situation where there are great differences between the eastern and western areas, we should persist in the

principle of not only developing but also improving, give different instructions to different areas, and guide the eastern areas to development in the course of improvement and the western areas to improve in the course of development. In regard to giving work instructions, we should comprehensively implement the basic line of the party, closely serve the central link of economic construction, make great efforts to readjust and optimize structures and promote technological progress, continue to deepen reforms and expand the scale of opening the province to the outside world, positively and steadily achieve the second-step objective of developing town and township enterprises, and strive to make a new breakthrough in the Eighth Five-Year Plan period. To this end, we should concentrate on grasping four major work guidance links as follows:

First, we should start from grasping key enterprises to develop the economy of appropriate scale and to increase the economic results. To this end, the provincial town and township enterprise bureau worked out a project. That is, by 1995 the province should have 200 villages whose output value exceeds 100 million yuan, 100 enterprises whose output value exceeds 100 million yuan, 500 enterprises whose output value exceeds 5 million yuan, and 2,000 enterprises whose output value exceeds 10 million yuan; and should ensure that the profit and tax rate of these villages and enterprises surpasses 10 percent of the province's total. To promote the development of this project, we should carry out preferential policies among a group of selected large- and medium-sized town and township enterprises and give priority to supporting their development. Second, we should vigorously promote scientific and technological progress and arm town and township enterprises with advanced technologies. We should encourage town and township enterprises to conduct economic and technological cooperation with state-owned large enterprises, universities and colleges, and scientific research units; and concentrate energy on developing a group of high-technology products, products with high added value, products that can create more foreign exchange, and high-efficient products. We should vigorously cultivate scientific research worker contingents and widen the channels at home and abroad to bring in skilled persons. Third, we should introduce town and township enterprises to international markets and positively develop the export-oriented economy. We should fully use the advantage of being an open coastal province to encourage enterprises to develop industry-trade cooperation and to take the road of coordinating trade, industry, and agriculture as a process. We should strive to improve the investment environment, assimilate foreign capital, develop joint ventures and cooperative enterprises, and pay particular attention to developing industries of processing and assembling with materials and specification provided by foreign firms. The departments concerned under the governments should strengthen the sense of urgency and give the green light for town and township enterprises to send them into the world. Fourth, we should deepen the reform of town and

township enterprises and make their mechanisms better and more effective. The existing mechanisms of town and township enterprises are full of vitality but not perfect, so we should make them better and perfect. To ensure that workers do not carry iron bowls, we should study ways to solve the problems related to contrapuntal force. To ensure that cadres do not sit on iron chairs, we should study ways to solve the problems of short-sighted activities. To ensure that enterprises have flexible decision-making rights to production and management, we should study ways to solve problems of blindly making decisions. Therefore, we should deepen reforms to study ways to solve these problems.

Comrade Jiang Chunyun stressed: To support and guide town and township enterprises to continuously make stable development, we should realistically strengthen and improve the leadership over town and township enterprises. In particular, leaders should concentrate sufficient energy on supporting the areas with less state-owned large- and medium-sized enterprises to develop town and township enterprises. Simultaneously, the areas where state-owned large and medium-sized enterprises are comparatively well concentrated must not neglect this work.

### Inspects Zibo City

SK2902141192 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 19 Feb 92

[Text] Jiang Chunyun, secretary of the provincial party committee, went to Zibo City from 17 to 18 February to inspect work and conduct investigation and study. After listening to the work reports made by the Zibo City party committee and Qilu Petrochemical Industrial Company and after holding a forum with responsible persons of 11 large- and medium-sized enterprises participating, he emphasized: Party, government, and economic departments at all levels as well as all enterprises should further emancipate their minds and accelerate the pace of enterprise reform, with emphasis on breaking with the big public pot and the iron rice bowl, iron chair, and iron wage and on changing internal mechanisms of enterprises.

Comrade Jiang Chunyun said: Recently, the CPC Central Committee and the State Council have given a series of important instructions on deepening reform and opening still wider to the outside world. We hope that party, government, and economic departments at all levels as well as all enterprises will study how to increase the dynamics of reform and accelerate the pace of opening-up in line with their respective ideological and work reality. Now and in the foreseeable future we should focus urban work on deepening the reform of enterprises, large- and medium-sized enterprises in particular, in order to make a breakthrough in this regard.

First, we should profoundly understand the necessity and importance of deepening enterprise reform. By the end of this century, we should make the people's living standards become better off, attain the second economic

doubling task, and raise the overall quality of the national economy to a new level. To this end, we must continue to deepen reform, open still wider to the outside world, and, in particular, energetically carry out reform of large- and medium-sized enterprises. At the moment, our enterprises face sharp market competition. If our enterprises fall short of accelerating the pace of reform and changing their internal mechanisms, they will be unable to adapt to market changes and the demand of the overall economic development and thus will become backward and be eliminated. For this point, comrades of party, government, and economic departments at all levels and of all enterprises should have a full understanding and a high degree of consciousness and should have the senses of urgency, responsibility, and crisis. On no account should enterprises regard the work of accelerating the pace of reform and changing their internal mechanisms as unimportant nor should they delay the work.

Second, in deepening enterprise reform, the most important thing is to further emancipate the minds and change ideas. It should be admitted that in the sphere of emancipating the minds, the province as a whole has made progress every year. Otherwise, we would not have such good results today. However, the degree of emancipation is far from enough. Some of our comrades still harbor outmoded and rigid ideas and concepts, thus hampering the deepening of reform and the expanding of opening up. Even the enterprises that have done a good job in emancipating the minds are confronted with the task of further emancipating the minds.

Third, we should further define the priorities of enterprise reform. The next step of enterprise reform is precisely aimed at adopting effective measures to resolutely and realistically solve the problems in emancipating the minds as fast as possible by centering on the work of breaking with the big public pot and the iron rice bowl, iron chair, and iron wage. Practice shows that the big public pot and the iron rice bowl, iron chair, and iron wage are not so hard to be broken with. The overwhelming majority of cadres, staff, and workers also urgently ask to break with them. The work of breaking with the big public pot and the iron rice bowl, iron chair, and iron wage and the work of changing enterprises' management mechanisms touch upon the personal interest of each and every cadre, staff, or worker. Thus, for this work, we must not only be positive but also prudent and should be firm in determination, meticulous in work, stable in step, and simple in administrative procedures.

In addition, in the course of pumping new life into enterprises, we should firmly grasp the work of readjusting enterprise structure according to market demands, improving operation, strengthening management, and accelerating technological progress in line with the principle of combining the planned economy with market regulation. If we say that we could not replace management with contract in the past few years,

then we cannot replace management with [words indistinct] in the future. We must vigorously improve the overall quality and strengthen the competition of enterprises to ensure their prolonged prosperity.

Fourth, we should create a fine external environment for deepening enterprise reform. To rapidly change enterprise mechanisms, all departments in charge of economic work and all superstructure departments should change functions, streamline administrative procedures, delegate powers to lower levels, and improve service as fast as possible. The emphasis remains on successfully implementing the enterprise law and delegating autonomy to enterprises. The powers of management, personnel, labor, organizational setup and internal distribution which should be delegated to enterprises should be delegated resolutely.

Fifth, we should actually strengthen leadership over enterprise reform. We should conduct thorough investigation and study, summarize and popularize exemplary experiences, and gradually popularize these experiences from certain spots to all areas. We should conscientiously study and popularize the good reform experiences gained by Xuzhou and by various localities of the province. In popularizing the experiences gained by places both inside and outside the province, we should always pay attention to suiting measures to respective conditions of plants and localities, instead of mechanically imitating the examples of others and seeking uniformity. On the prerequisite of correctly upholding the socialist orientation of reform, we should allow and encourage enterprises to carry out their work creatively, explore new trains of thought, and create new situations. We should strengthen guidance to enterprises to push them into markets, including the world market. We should also guide enterprises to build themselves into enterprise groups by integrating with others in order to give rise to a large-scale superiority and large-scale efficiency. All departments in charge of economic work should voluntarily serve as matchmakers for integration of enterprises. In organizing enterprise groups, we should fully supervise and protect the interests of all sides. In addition, we should promote the optimum combination of enterprises primarily through development of integrations and implementation of the shareholding system, the contract system, and the leasing system.

#### **Investigates Road Problems**

SK2902120692 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 23 Feb 92

[Text] NONGMIN RIBAO on 27 January published an article by a reporter entitled "Trace the Grain Trucks on the 800 Kilometers to Urban Areas and See That the Peasants Have To Pay at Each Checkpost and Have Difficulties in Transporting and Marketing Grain." The article revealed some road inspection problems in some localities in the province. Therefore, leaders of the

provincial party committee and the provincial government have paid full attention to this and adopted a resolute attitude toward this situation. Jiang Chunyun, secretary of the provincial party committee; and Zhao Zhihao, governor of the provincial party committee, convened meetings on several occasions to study the problems and to stress the need to thoroughly check and immediately correct the problem, to positively accept the lessons, and to turn the bad things into good ones.

The provincial government organized and sent inspection groups to Beijing and some cities, prefectures, and counties of the province to further investigate, to understand the situation, to grasp the materials of the persons concerned, and to urge and support the local governments to immediately handle the persons in violation of law and discipline. Through investigations and checks, the problems revealed in the paper were found to be true, and some of the problems were even serious. So far, the Sishui County party committee and government have adopted measures to suspend some principal responsible persons of the public security, transportation, and industrial and commercial bureaus from their duties for examination; and respectively handled some people responsible for the problems. The Lingxian County Government decided to dismiss four contract civilian policemen from their posts.

On the afternoon of 23 February, the provincial party committee and the provincial government cosponsored the provincial emergency telephone conference on consolidating the road inspection work attended by more than 3,000 people, including secretaries of the city and prefectural party committees, mayors, prefectural commissioners, secretaries of the county party committees, county heads, and responsible persons of the public security, transportation, and industrial and commercial departments.

Governor Zhao Zhihao made a speech at the conference. He strictly criticized some departments and units for their failure to pay full attention to or to rapidly solve the road inspection work problems. He urged that those who neglect their duties, employ trickery, and seriously practice bureaucracy be investigated and handled. He urged that various responsible departments should bravely expose the problems of the grass-roots units and take the lead in correcting the unhealthy practice within trades.

He declared: The provincial party committee and the provincial government decided that from now on we should spend two months on comprehensively consolidating the road inspection work. In this period, the road checkposts must stop working and concentrate time, personnel, and energy on consolidating their ideology, work style, and organizational discipline. In the course of consolidation, on the one hand, the local traffic policemen should safeguard traffic order; on the other hand, we should affirm achievements, expose contradictions, check problems in line with the principle of seeking truth from facts, and strictly investigate and handle those who violate law and discipline.

Li Chunting, vice governor of the provincial government, chaired the conference.

### Shanghai Leaders Speak on Rural Economy

OW0103193792 Shanghai People's Radio Network  
in Mandarin 2300 GMT 29 Feb 92

[From the "Morning News" program]

[Text] The Shanghai municipal rural work conference sponsored by the Shanghai Municipal CPC Committee and Municipal Government opened yesterday [29 February] in Songjiang County. Ni Hongfu, deputy secretary of the municipal CPC committee, presided over the meeting. Wu Bangguo and Huang Ju delivered important speeches at the meeting.

At the meeting, Wu Bangguo, secretary of the municipal CPC committee, called on Shanghai suburbs to step up the pace of opening to the outside world in the 1990's; accelerate the pace of development in Sino-foreign joint ventures, cooperative enterprises, and wholly foreign-owned enterprises; and by seizing good opportunities created by the development and opening up of Pudong, boldly attract foreign capital, so as to boost the suburban economy. This year, the municipal CPC committee and government have decided to delegate more authority to Shanghai suburbs, expand coordination functions between counties, and step up supportive reforms.

Wu Bangguo stressed: All levels of party organizations in suburbs should continuously, unswervingly, and comprehensively implement party's basic line and treat economic construction as the central task of all work. He said all work must center around and serve the central task of economic construction; we must not deviate from or interfere with this central task. While engaging in economic construction, we must further emancipate minds, be bolder, and step up the pace of development. It is necessary to always persist in the socialist direction, guard the socialist position well, and always give equal emphasis to the building of socialist material and spiritual civilizations.

Wu Bangguo said: Comrades in urban areas involved in developing Sino-foreign joint ventures, cooperative enterprises, and wholly foreign-owned enterprises should further strive to integrate urban and rural areas; they should not only delegate authority but must also help suburban areas. As for comrades in suburban areas, they should further emancipate minds, enhance their understanding of the open policy, and constantly explore new ways. To cope with the new situation arising from the accelerated reform and opening up in suburban areas, the municipal CPC committee and government, on the basis of reviewing previous work, have decided to further delegate authority to districts and counties, allowing districts and counties to assume more responsibilities and exercise more authority in coordinating and carrying out supportive reforms. This will give more play to the initiative of both districts and counties.

Comrade Wu Bangguo also called on suburban areas to continuously and deeply carry out socialist ideological education in rural areas and strengthen the building of material and spiritual civilizations in rural areas. In order to improve leadership over socialist ideological education work, the municipal CPC committee has decided, on the basis of leading groups in village-level organizations, to establish leading groups for socialist ideological education in rural areas; counties and townships should have their own leading groups and offices for socialist ideological education. This time, socialist ideological education will not be a political movement; there will be neither rectification of cadres nor rectification of the masses. Instead, it will focus primarily on ideological education, positive education, and self-education.

Comrade Wu Bangguo also called on all levels of cadres in suburban areas to change their work style in a down-to-earth manner and to overcome formalism. He said: In the new year, all should closely rally around the CPC Central Committee with Comrade Jiang Zemin as the core, comprehensively and correctly implement the party's basic line, enhance convictions, rise with force and spirit, struggle hard, and create a new phase for the Shanghai suburbs in agriculture and rural work so as to greet the opening of the 14th CPC Congress.

In his speech, Mayor Huang Ju noted last year's vibrancy in suburban county work. Despite major natural disasters, suburban areas still reaped grain, cotton, and edible oil crop harvests. Prices of vegetables and nonstaple food were further deregularized; their production was stable, and supplies were abundant. Rural industry showed marked development. The rural economy also developed remarkably. These results did not come easy; they resulted from efforts by a vast number of cadres in rural areas and from sacrifices by Shanghai farmers.

Huang Ju stressed: In developing the economy, Shanghai's suburban counties must adapt to the new situation and explore new ways. He said: Shanghai's economic development entered a new stage in the beginning of the 1990's. This is manifest in the further confirmation of the eminent position of Shanghai in the nation's reform and opening. Stable and coordinated development of the nation's economy has created a good external environment for Shanghai. The CPC Central Committee and the State Council have always shown great concern for Shanghai's development. The older generation of proletarian revolutionaries and central leading comrades have visited Shanghai and encouraged us to enlarge reform and opening and to accelerate the pace of Pudong's development and Shanghai's construction. Shanghai's foundation in various work is relatively good. Since the implementation of the reform and opening up policy, Shanghai's suburban economy has scored great achievements. We must develop an in-depth understanding of this new situation and adapt ourselves to it. We should also have an increased sense of urgency. On the premise

of ensuring steady and coordinated development, we should further accelerate development of the rural economy.

Comrade Huang Ju said: Under the new situation, it is necessary to study the special characteristics of Shanghai's suburban economy. Acute land shortages have made it more important to rely on science and technology to achieve development. We should direct our efforts toward supplying quality, economical, and practical nonstaple foods to urban areas. Suburban areas should rely on the economic center of a very large port city to enhance their economic strength and strive to gradually urbanize rural areas. In accordance with their own characteristics, counties should give play to their respective advantages and distinctive qualities. We should further develop rural industry through developing high-yield and highly-efficient agricultural sideline products. We should also stress developing the tertiary industry by taking local conditions into consideration, thus creating a rational structure for all suburban areas.

Huang Ju said: In order to accelerate the development of Shanghai's rural economy and to further reform and opening up, we should delegate more authority. We should accelerate support for reforms in suburban counties and let suburban counties acquire more comprehensive functions. The principle of delegation of authority rests in striking a balance between responsibility and authority. When formulating specific measures for delegation of authority, we should dare to eliminate old work styles and establish new ones; that is, we should strive to create a combination of breaking away from old work styles and establishing new ones. We can also experiment with delegation of authority first and make improvements later.

Vice Mayor Zhuang Xiaotian delivered a work report at the meeting entitled: "Further Emancipate Minds, Accelerate Reform and Opening, Advance Toward New Goals of Urbanized Agriculture and Rural Economy."

Some 1,200 cadres from the municipality involved in agriculture attended the meeting.

#### **Radio Commentary on Shanghai's Suburban Economy**

*OW0203140592 Shanghai People's Radio Network  
in Mandarin 2300 GMT 29 Feb 92*

[Station Commentary Entitled "Exert More Force in Deepening Reform and Accelerating the Pace of Opening;" from the "Morning News" program]

[Text] The 1992 Shanghai municipal rural work conference has closed. Both the format and the contents of this meeting are new. The format is new in that the meeting was short and lasted for only one day but it was highly efficient. Its contents are as follows: The meeting further specified responsibilities and delegated authority to nine counties and one district in suburban areas; exerted more force in deepening reform in suburban counties in a comprehensive and coordinated manner; affirmed to

accelerate the pace of development in three types of wholly or partly foreign-owned enterprises; and ascertained a series of other policies and new considerations. This has very important significance as guidance in creating a new phase in the 1990's for Shanghai suburbs in the area of agriculture and rural work.

At present, party and government organizations at various levels in suburban areas should earnestly study, comprehensively understand, and thoroughly implement the guidelines of the municipal rural work conference. To implement the meeting's guidelines, first, we should stick tightly to the central task of economic construction, and unswervingly implement the party's various basic policies on rural areas since the Third Plenary Session of the 11th CPC Central Committee. The broad masses of peasants termed the party's basic policies on rural areas as the policies to enrich the people. These policies should remain unchanged for a long time.

To implement the meeting's guidelines, we should also further emancipate minds; deepen reform; open up wider to the outside world; by seizing good opportunities created by the development and opening up of Pudong, enable Shanghai suburbs to step up the pace of opening to the outside world; and accelerate the pace of development in three types of wholly or partly foreign-owned enterprises.

Similar to the other five coastal special economic zones, Shanghai in the 1990's is in the forefront in the nation's opening up to the outside world. We should rationally seize the opportunities, step up the pace, and surpass them even if we start late. We must have such high aims and lofty aspirations: We dare to think; dare to adventure; and at an early date, thoroughly implement well the general reform policies of the municipal party committee and government, which stress initiatives and self-reliance, so that development in three types of wholly or partly foreign-owned enterprises will make new changes in one year, and generate a new take-off in three years.

To implement the guidelines of the municipal rural work conference, we should unswervingly make efforts in two aspects: In accordance with the unified programs of the municipal party committee, we should continually and thoroughly carry out socialist ideological education in rural areas and strengthen the building of spiritual civilization and legal system in rural areas so that suburban rural areas will maintain good social practice and moral standards in the course of deepening reform and opening wider to the outside world.

All relevant municipal departments should also earnestly study and implement the guidelines of the municipal rural work conference; further strengthen the concept of integrating urban and rural areas; give play to their respective advantages in urban and rural areas; organize various trades and industries to give active support to developing agriculture and rural economy; jointly create a new situation in agriculture in suburban areas and

rural economy in the 1990's; and accelerate the pace of realizing the objective of developing socialist modernization in new rural areas.

**Shanghai Mayor Huang Ju Meets Goteborg Mayor**

*OW2902051892 Shanghai Voice of Pujiang  
in Mandarin to Taiwan 1000 GMT 25 Feb 92*

[From the "News" program]

[Text] At a meeting last night with Lars-Ake Skager, mayor of the city of Goteborg in Sweden, Mayor Huang Ju said: Shanghai's door is always open. We warmly welcome friends from various circles in Sweden and Goteborg to develop cooperative relations with us. Since the establishment of friendly relations between Shanghai and Goteborg six years ago, both sides have conducted cooperation and exchanges in various fields—including urban public transport, water management, and the introduction of retired technical personnel—and have achieved some results. He expressed his appreciation and hope that friendly and cooperative relations between the two cities will further develop.

This was the fifth time since 1984 that Skager has visited Shanghai. He has been pleased to be able to personally see the changes in Shanghai year after year, claiming that he is a personal friend of Shanghai and has warm feelings for the city. Skager suggested that Goteborg and Shanghai should cooperate in environmental protection in the course of developing Pudong. Huang Ju welcomed the suggestion, and asked the relevant department to carry out a study.

Skager and his entourage are visiting Shanghai at the invitation of the Shanghai municipal government. Yesterday the guests visited Pudong New District and Nanpu Bridge. During their visit in Shanghai, they will also hold work meetings with the municipal government as well as responsible officers of the relevant departments on furthering mutual cooperation in the future.

**Li Zemin Attends Worker Awards Meeting**

*OW203122792 Hangzhou Zhejiang People's Radio Network in Mandarin 1000 GMT 1 Mar 92*

[From the "Provincial News Hookup" program]

[Text] Laughter filled the spring-like atmosphere at the Xizi Hotel in Zhejiang this morning as the provincial party committee and government held a discussion meeting to commend model workers and collectives during the Seventh Five-Year Plan. Provincial leaders Li Zemin, Ge Hongsheng, Shen Zulun, Wang Qichao, Xu Xingguan, Liu Yifu, Wang Yumin, and Shang Jingcai held cordial discussions with responsible persons from relevant departments and 18 representatives of provincial model workers and collectives that appeared on various fronts throughout the province during the Seventh Five-Year Plan.

Governor Ge Hongsheng presided over the meeting. Vice Governor Xu Xingguan, member of the Standing Committee of the provincial party committee, read the provincial government's decision to commend provincial model workers and collectives during the Seventh Five-Year Plan and announced the names of 78 model workers and 40 model collectives.

Provincial leaders presented certificates of honor, certificates of merit, and medals to 12 representatives of model workers and six representatives of model collectives. At the meeting, model workers spoke freely, reporting on and exchanging information on their work or the work of their collectives. They also offered suggestions to and set certain demands on the provincial party committee and government.

Fu Yaqing, a teacher at the Shangyang Primary School in Suichang County, set strict demands on himself during his teaching career of over 20 years in hilly regions. Under a work-study program, he offered good instruction to pupils and led them in the effort to open up over 10 mu of orchards and tangerine farms in the mountains. Taking local conditions into consideration, he helped develop planting and breeding, earning some 20,000 yuan in revenues for the school. This helped the school solve its shortage of funds and increase its enrollment of children in hilly regions from 53 percent to 100 percent. He declined an offer by school authorities for a two-step salary increase. The State Education Commission and the county provincial party committee awarded him a 1,000-yuan bonus in 1989. He used half of it to pay his party dues and contributed the rest to the county educational foundation. His deeds won the applause of leaders and representatives who were present at the meeting.

A briefing by Chen Lijun, manager of the Huari refrigerator factory, on problems encountered by his factory in its attempts to expand production and acquire land caused concern among provincial leaders. Secretary Li Zemin and Governor Ge Hongsheng noted that relevant departments should work together to solve the problems.

Governor Ge Hongsheng spoke at the meeting. He expressed the hope that the commendedees will serve as role models, work constantly to improve themselves ideologically and professionally, and promote the reform and opening drive. He also hoped that they will set an example of self-reliance and hard work, serve as pacesetters for building socialist spiritual civilization, function as a bridge that closely links the party with the people, work incessantly, forge ahead, and achieve greater success in future work.

**Central-South Region**

**Zhu Senlin Speaks at Party Work Conference**

*HK0203123892 Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 27 Feb 92*

[Excerpts] The provincial party committee called a work conference in Guangzhou 24-27 February to study ways to open wider to the outside world and step up economic development.

Provincial party committee Secretary Xie Fei and Deputy Secretary and Governor Zhu Senlin gave speeches at the meeting. [passage omitted]

The meeting emphasized that to step up economic development in Guangdong, we must further free ourselves from old ideas and blaze new trails to stimulate reform and opening up. Based on Guangdong's actual conditions and the situation at home and abroad, to open wider to the outside world, we must, apart from enhancing the awareness of cadres at all levels of the need to open to the outside world, make a success of the following:

1. Open more areas to the outside world. The special economic zones (SEZ's), economic and technology development areas, open cities along the coastal area, and new and hi-tech technology development areas across the province must make proper and adequate use of existing policies, energetically introduce new and high technology, and increase their appeal and capacity to diffuse technology to other areas so that they will act as the dragon head and bases for province-wide opening to the outside world.

The construction of economic areas in the Zhu Jiang Delta and other places should be stepped up and developed into open and prosperous economic areas like the SEZ's. More areas in eastern and western Guangdong as well as mountain areas should be opened to the outside world and a large number of foreign-funded enterprises and enterprise which engage in three forms of processing and compensation trade should be developed. In so doing we must do a good job in defining the first tasks to be accomplished and promote economic development through opening wider to the outside world.

2. Make further advances on the already good opening up situation, and enthusiastically and steadily help some enterprises set up offices or factories abroad. Make great efforts to introduce and master advanced technology, new and high technology in particular. Introduce technology and equipment or foreign funds to transform outdated enterprises. Land in the three SEZ's and the four counties can be leased to foreign businessmen, who are allowed to set up factories and do real estate business there. It is necessary to absorb talented people and managing staff from other places outside Guangdong, expand export of technology and labor service in a planned way, energetically produce export commodities which are free from quotas and marketable, enthusiastically carry out barter trade with related countries and areas, and make great efforts to build export-led agriculture.

3. Expand the overseas market. While consolidating and expanding the existing market, make vigorous efforts to open up new markets. It is essential to promote entrepot and direct trade at the same time and to integrate producing export commodities with running factories abroad.

4. Make policies for opening more liberal and raise the efficiency in granting permission to foreign businessmen who plan to make investments in Guangdong. The power wielded by provincial authorities will be properly delegated to city and county authorities. For those projects subject to approval of the provincial government, the departments concerned should improve the related procedure and raise work efficiency, trying to get the job done in the shortest possible time. It is necessary to lift restrictions on those who promote commercial business and industrial development.

5. Improve the work concerning compatriots in Hong Kong, Macao, and Taiwan and those residing abroad and bring into full play their patriotism and enthusiasm for supporting the modernization drive.

6. Place a firm grip on the work to train all types of professional personnel necessary for opening wider to the outside world.

7. Truly improve management.

The meeting called on Guangdong to make new strides in reform. All localities across the province must try to achieve good results in financial reform, make administration simpler, delegate power, and separate the functions and responsibilities of administration from those of management. Reform of the internal operating mechanism of state-owned enterprises, rural reform centering on setting up and improving the socialized service system, price reform, reform of the social security system, and reform in other fields should be carried out in accordance with the original plan.

The meeting stressed: To firmly follow the path of building socialism with Chinese characteristics, we must more resolutely, more conscientiously, and more maturely adhere to the policy of promoting material progress and cultural and ideological progress simultaneously and correctly, and comprehensively carry out the party's basic line so that we can further free ourselves from old ideas, open wider to the outside world, deepen reform, exercise stricter management, and more strictly enforce laws and discipline. We should not only make achievements in reform and opening up to the outside world and economic construction but also create experience in building socialist spiritual civilization, improving party style, building a clean and honest government, and strengthening the legal system in particular.

#### Meets Japanese Delegation

HK0203143192 Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 29 Feb 92

[Text] The sixth two-day regular Sino-Japanese consultation on economic relations and trade ended in Guangzhou yesterday.

According to statistics compiled by both side, the bilateral trade volume last year topped \$20 billion, hitting a record high.

The potential of trade between China and Japan is being gradually tapped with the scope of the cooperation between the two countries in the production and technological fields being constantly enlarged. The direct investment in China by Japanese businessmen last year also hit an all-time high.

Yesterday Guangdong Governor Zhu Senlin and Guangzhou Mayor Li Ziliu met with Heheliangyu [as heard], head of the Association for Expanding Japanese-Chinese Trade and his company, who came to China to attend the consultation.

#### **Guangdong To Upgrade Areas' 'Openness Status'**

HK0303051692 Hong Kong THE STANDARD  
in English 3 Mar 92 p A-5

[By Cary Huang]

[Text] Guangdong is to upgrade the "openness status" of all places under its jurisdiction in a move which officials describe as a new era in the reform and opening of China's boldest province.

Guangdong provincial authorities held a key meeting last week to implement paramount leader Deng Xiaoping's recent calls for greater reform and openness.

The "Working Conference on Openness" held in Guangzhou was attended by party and government chiefs from major cities and provincial departments.

"The most important resolution of the conference is to upgrade all the regions in the province in their openness status, but the power does not lie with the provincial authorities," a provincial official told THE STANDARD.

The moves would see the three Special Economic Zones (SEZ) of Shenzhen, Zhuhai and Shantou develop into Hong Kong-like free trade ports; the coastal open cities, Pearl River open area, Economic and Technological Development Areas (ETDA) and High-tech Development Areas (HTDA) be upgraded to SEZ-like areas; and remaining provinces would be upgraded to open regions, according to the provincial party committee's resolution.

"In short, any region in the province is to be upgraded in their status for openness," the official said. This means that the regions will enjoy more special policies and preferential treatments.

Shenzhen would be the first SEZ to be developed into a free trade port, which would be open to foreign capital and goods via the border with Hong Kong. Customs points would be set at the SEZ's demarcation line with the rest of the mainland.

In an interview published yesterday in THE SHENZHEN SPECIAL ZONE DAILY, Shenzhen Mayor Zheng Liangyu said the SEZ was to be developed into a grand bonded area which would allow free trade.

"Foreign goods into Shenzhen will not be counted as imports so long as they are traded within the SEZ," said Mr Zheng.

He confirmed the move to expand open areas in Guangdong.

"The opening areas are expanded from the SEZs, coastal open cities, ETDAs and HTDAs to all regions of the province," said the party resolution.

The meeting also decided to decentralize the economic power by allowing the local authorities more power in approving foreign invested projects.

#### **Plan To Develop Hainan's Yangpu Into Free Port**

HK0303104892 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1152 GMT 26 Feb 92

[By Mo Chengxiong (5459 2052 7160)]

[Text] Haikou, 26 Feb (ZHONGGUO XINWEN SHE)—Vice Governor of Hainan Mao Zhijun today announced: The CPC Central Committee and the State Council have already agreed in general and in principle to Yangpu's development plan, and official permission will be granted, possibly next month. He said Hainan's Yangpu will be built into the first "free port" on the Chinese Mainland.

Mao Zhijun said Yangpu will have more preferential and special policies than the ones now being practiced in the bonded zones in Shanghai and Tianjin, will use the management method of "opening up the first line and closing the second line," and will adopt the customary rules in the international community to develop economy. He said the "free port" is a customary style for international economic exchanges, as well as a way to do business, adding that we can borrow the good economic management methods from capitalist countries.

Mao Zhijun said the Hainan Provincial Government is planning to lease once and for all the 30 square km of land in Yangpu Development Zone to Kumagai Gumi (Hong Kong) Limited, which will invest in infrastructure on the leased land, then establish factories or negotiate for import of other construction projects.

Mao Zhijun said this here at a forum on the problem of legal system in Yangpu Development Zone. He demanded that the departments concerned observe the following four principles when formulating rules to govern Yangpu:

—When formulating rules and regulations, the articles in the letter of intent concerning the Yangpu project must be observed, and no random changes are permitted.

—Yangpu's management law must suit the rules for doing business generally used in the international community, so as to protect the basic rights of foreign investors in legal terms.

- Yangpu must possess the policies and law now being used in various bonded zones in the country.
- It is necessary to guarantee the freedom of flow of "personnel, materials, and funds" in and out of Yangpu Development Zone, so as to enable Hainan to become one of the most attractive places in the Asia-Pacific region to international capital.

### **Hubei Conference Calls for Expanding Rural Reform**

*HK0303104092 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 28 Feb 92*

[Text] A provincial work meeting on rural reform experimental areas, which ended in Wuhan yesterday, proposed that it is necessary to increase the weight and strength of reform in our province's rural reform experimental areas and push the province's reform work in entire areas to develop in depth. This meeting conscientiously summed up the work of rural reform experimental areas over the past four years.

Over the past four years, through cultivation tests, district-based decisionmaking, reducing risk and obliterating difficulties, our province has taken the lead in achieving breakthroughs in certain aspects of reform; thus accumulating experiences and exploring the ways for comprehensively deepening rural reform. Main achievements in 12 rural reform experimental areas include: Our province has established appropriate-scale operational modes in 25 separate farms in counties and cities, optimal rural production setups, ecological agricultural modes, various forms of technical contracting; effected agricultural mechanization, building of township and town political powers and a township and town enterprise system, reform in rural financial systems, merging agriculture-industry-commerce and production-supply-sales into an organic body, urban-rural joint development; and enabled peasants to enter the circulation realm.

The meeting demanded that this year we must increase the weight and strength of reform in rural reform experimental areas, and allow the experimental areas to break through certain existing administrative systems and policy guidelines, under the principle that they do not violate the state's overall policies and principles. There must be new breakthroughs in expanding townships' and towns' powers, building of a town and township enterprise system, merging agriculture-industry-commerce and production-supply-sales into an organic body and other aspects. We must accumulate experiences and provide a basis for decisions on the next step of deepening of province-wide rural reform.

### **Hunan Congress Deputies Supervise Government Work**

*OW0203130892 Beijing XINHUA in English 1228 GMT 2 Mar 92*

[Text] Beijing, March 2 (XINHUA)—Liu Zhili, who has been working in a county people's congress for a dozen

years, never imagined that today's farmer deputies would be bold enough to criticize the government officials and even remove them from their posts.

Liu, vice chairman of the Standing Committee of the people's congress in Nanxian County in the southern province of Hunan, said that the county started to publicly discuss and appraise the government work in 1988.

In general, Liu said, the deputies would first inspect the departments to be discussed, listen to work reports and collect the ideas and suggestions of concerned citizens in order to ensure that their appraisals were sound.

Over the recent three years, the deputies to the county level people's congress have offered some 200 suggestions and criticisms to the departments concerning irrigation, forestry, finance and grain production.

"All of them have received due responses from various departments and are welcomed by farmers," Liu commented.

Nanxian County is one example of the Chinese local people's congresses which accelerated their supervision to government work. According to the Chinese Constitution, the Standing Committee of the local people's congress can perform 14 rights in government administration and supervision. These mainly include decision-making in some key issues in government work, appointment of government officials, supervision of government work and local legislation.

According to the regulations, some local people's congresses started to appraise the government in order to enhance their work and promote the work of the government. The activity first began in the township levels, then it extended to the county and prefecture afterwards. By now, the provincial judicial departments have become the target of such appraisals.

If a department leader was considered untrustworthy, the deputies would suggest to higher authorities to reorganize the department. And if illegal activities were involved, the deputies might even ask the assistance of relevant judicial departments. Some incompetent officials might even be removed from their posts by deputies.

In Hunan, dozens of local officials have been removed from their posts due to their poor performance, dishonesty or they were involved in some illegal activities.

Last April, a deputy governor of the province was removed from his post by the deputies of the provincial people's congress in its annual session because he was charged "incompetent" in clearing the illegal economic companies. A candidate appointed by the deputies was finally appointed deputy governor.

"The majority of the officials elected directly by the deputies are proved excellent in performing their duties and are welcomed by the masses," said an official from the Standing Committee of the provincial people's congress.

### Southwest Region

#### Sichuan Province Machinery Industry Improves

OW2902065592 Beijing XINHUA in English  
0616 GMT 29 Feb 92

[Text] Chengdu, February 29 (XINHUA)—The past few years have seen great changes in the structure of the machinery manufacturing industry of southwestern China's Sichuan Province.

Informed sources here said that the traditional material-intensive industry has given way to a completely new trade featuring high technologies in recent years; some of its series products have entered world markets well.

The trade declared a total economic turnover of 10 million yuan last year, including over 900 million yuan of tax and profit. Both figures went up by 15 percent respectively compared with those of the previous year.

The province is one of China's major machinery production bases manufacturing various farm machines, instruments and meters, machine tools, electrical appliances, as well as equipment for the chemical industry, mining, food processing, environmental protection and car manufacturing.

The industry has developed some 1,800 new products during the past five years, bringing the total number of products of the whole trade to 3,000, half of them reached the world's advanced levels.

Some of its new machines like equipment for making leather products, plastic goods, foodstuff and building materials have sold well at domestic and world markets and earned big profits for the trade.

#### Private Business Developing 'Rapidly' in Tibet

OW2802034092 Beijing XINHUA in English  
0209 GMT 28 Feb 92

[Text] Lhasa, February 28 (XINHUA)—Private business is developing rapidly in the Tibet Autonomous Region, and so far the number of such businesses has reached 39,255.

According to statistics from the regional government, the businesses run by local people number 28,590, while those run by individuals who have moved from other parts of the country number 10,567.

A local official said this sector employs more than 54,000 people, who control some 152 million yuan in capital. The business volume of these private enterprises reached over 248 million yuan in 1991, an increase of 10.1 percent over 1990.

The official said private enterprises in agricultural and pastoral areas have developed the most rapidly. The number of the private businesses in these areas increased by 5,421 in 1991, an rise of 50.1 percent over the preceding year.

#### Tibetans Praise Human Rights Status Since 1959

OW0303035992 Beijing XINHUA in English  
0329 GMT 3 Mar 92

[Text] Lhasa, March 3 (XINHUA)—Equality among people and ethnic groups is the basic content of human rights.

This is the common view shared by most people in the Tibet autonomous region who have experienced the historical change in this highland region.

The old Tibetan code had divided people in different classes, according to Nyima Zhoima, a resident of the Bailin neighborhood committee of Lhasa, capital of the region.

The 73-year-old woman said she used to be a serf and became a beggar at seven after her mother had died. Later on she roamed to Lhasa from her hometown of Gyaca county.

"I suffered a great deal in the past and live a better life at present. I gave birth to 16 children and only four have survived—only those who were born after the peaceful liberation in 1951 have survived. All of them are local officials and workers and live a happy life thanks to Tibet's peaceful liberation and democratic reform."

The old lady said she owed her good life to the new society and the communist party.

"When we talk about human rights, we will see whether most people can decide their own destiny," this is another view agreed by Tibetan people.

Gaisang Puncog, a worker of the Lhasa city machine repair plant, said he became a lama when he was child in order to avoid the heavy corvee by serf owners.

In 1959 when Tibet undertook democratic reform, gaisang left the temple to become a worker.

Being a skilled worker, the 51-year-old man said, "We earn what we work. Our children have the right to go to school and even college and university and they can choose the job they like after graduation. Our dream has really come true and we are now masters of our own."

According to experts in the study of Tibet, Tibet had practised the serf system until 1959. Such a system was more barbarous than the feudal lord system practised in the Middle Ages of Europe and 18th century Russia.

Lhalu Cewangdoji, one of the four kaloon (highest officials) of the former Tibetan local government, said, in those days, a serf owner not only had land and farms but also owned serfs.

He indicated, "Human rights could by no means exist in such a society. They came into existence only after the democratic reform in the region."

Lhalu explained that now ordinary farmers and herdsmen have been selected to be people's deputies and

government officials. They have participated in political and government affairs. "This could never do in the past," he noted.

**Losang Cering**, chairman of the Bailin neighborhood committee of Lhasa city, said he and his family were serfs for generations before Tibet was liberated.

He said, "We had no freedom in those days and had to get permission of the serf owner wherever we went and whatever we did. I never heard of anyone who had helped us to obtain human rights in those days."

Being the chairman of the neighborhood committee, Losang said, "As I am in charge of more than 300 families with a combined population of 1,200, I try to serve them wholeheartedly and often collect their opinions and suggestions to improve my work."

Tonggar Losang Chilai, member of National Committee of the Chinese People's Political Consultative Conference and honorary president of the Tibetan Academy of Social Science, attributed Tibet's earthshaking economic and social changes to upholding human rights in the region.

Being a living Buddha, he said that people in Tibet had the right to believe or not to believe in religion and no one would put his nose in their beliefs.

Tonggar opposed the use of religion against the government by saying, "This is not in line with the Buddhist creed, and anyone who uses religion, nationality and human rights as pretexts to split the country and assert the independence of Tibet will not enjoy popular support in the region."

For centuries, the Tibetan people have created a brilliant civilization becoming one of treasure-houses of the Chinese culture.

According to Liu Zhiqun, associate research fellow of the Arts Research Institute of the Tibet Regional Bureau of Culture, cultural workers of the region have collected 180 editions of the "King Gesar", an ancient Tibetan folk epic, and recorded 20 talks and songs about the epic by some 40 local artists.

While setting up historic and relics protection organizations in the region, the state has allocated a sum of 200 million yuan to help repair key monasteries including the Potala Palace.

Since the late 1970s, cultural workers have systematically collected, compiled and published Tibetan dramas, music, dances, folk songs, proverbs and folk stories.

### XINHUA Reports on Family Planning in Tibet

OW2902041192 Beijing XINHUA in English  
0315 GMT 29 Feb 92

[Text] Lhasa, February 29 (XINHUA)—Cering Lhamo, 30-year-old Tibetan woman, decided to have a sterilization operation with her husband's consent soon after giving birth to her third child.

Farmers from Langgar village of Namka County in the Tibet Autonomous Region, the couple did not know much about the significance of family planning to the whole nation. But Cering Lhamo said, "We have already had three children and cannot afford to have more."

Agreeing with his wife, her husband Qamba said, "Most well-off families in our village only have three or four children each. Those who have too many children are comparatively poor."

Cering Lhamo was one of the three Tibetan women who asked for sterilization operations in the people's hospital of the autonomous region on that day.

The people's hospital is the biggest and has the best facilities and services of its kind in the autonomous region. It not only offers medical services for delivery and abortion and sterilization, but also gives out contraceptives free of charge.

Basang, director of the Department of Gynecology and Obstetrics of the hospital, said, "All the medical services, including abortion and sterilization, are offered absolutely voluntarily."

According to the director, many Tibetan women from both rural and urban areas have come to ask for abortions as they got pregnant due to ignorance of correct contraceptive measures.

She said that all those who asked for sterilization surgery have at least three children each.

Two years ago Basang joined a medical team touring the grassland of the autonomous region and publicising contraceptive knowledge.

Though the Chinese Government has formulated regulations on family planning which stipulate that a couple can have no more than one child, the Tibet autonomous regional government has been given the right to adopt its own population policies.

Zhaxi Namgyai, deputy director of the Family Planning Committee of the autonomous region, said that the regional government has carried out family planning policies, allowing a couple two or three children, only among the people in cities and towns since the mid-1980s.

In the vast rural areas, however, the regional government does not set any limit on births, said Zhaxi Namgyai. What the government has done in these areas is to

strengthen education in contraception and new methods of delivery in order to guarantee the safety of mothers and children.

Clinics specially catering to women and children have been established in all the seven prefectures and many counties throughout the autonomous region, while child mortality has dropped from 250 per thousand before the peaceful liberation of Tibet in 1959 to 40 per thousand now.

The population of the region increased from 1.2 million in the 1950s to 2.2 million in 1990, of which 2.13 million are Tibetans. In the past 10 years, the natural growth of the Tibetan population has been between 15 per thousand and 18 per thousand in urban areas. The figure is 22 per thousand in rural areas.

Stressing the importance of population quality, Zhouga, director of the Public Health Bureau of the autonomous region, said the prudent family planning policies the regional government has adopted are in keeping with the aspirations of the Tibetan people and the future development of the Tibetan nationality.

#### Lhasa Market Abundant for Tibetan New Year

OW0303053392 Beijing XINHUA in English  
0512 GMT 3 Mar 92

[Text] Lhasa, March 3 (XINHUA)—The Lhasa markets have been full of various commodities for the forthcoming Tibetan new year of the water monkey, which falls on March 5 this year.

Lhasa citizens thronged to the markets in recent days to buy beef and mutton, butter and daily necessities.

An official from the Lhasa Bureau of Commerce said that the commercial department in the city has prepared more than 1,000 varieties of commodities, worth more than three million yuan, for the new year's market.

Butter is the major non-staple food for Tibetan people. In the past three years more than 1.5 million kilograms of butter have been supplied in Lhasa. This year the butter supply will be more than enough though the demand will be larger than usual.

In the free market, fresh vegetables together with butter, beef and mutton, eggs, prawns, turtles and finless eels can be seen everywhere at vendor's stalls.

According to statistics, there are some 8,500 individually-employed business people in Lhasa and by last February, the business volume had reached 16 million yuan.

Since 1986, the state has invested some seven million yuan to build a "vegetable basket project" in Lhasa to solve the problem of vegetable supplies. Now some 66.6 ha of greenhouses have been completed, which results in vegetables of more than 50 varieties, about 50 to 70 per cent of the total marketable vegetables in Lhasa.

During the country's Eighth Five-Year Plan period, the state will invest some 10 million yuan more for the vegetable production in Lhasa.

#### Tibet's Johkang Temple Reported Under Renovation

OW2802152692 Beijing XINHUA in English  
1054 GMT 28 Feb 92

[Text] Lhasa, February 28 (XINHUA)—The Johkang Temple, a major religious building in Tibet, is under a major renovation.

The temple with a history of over 1,360 years and covering an area of 25,100 square meters is located in the heart of the old Lhasa City. It houses a life size gold statue of the founder of Buddhism, Sakyamuni.

The temple has been a major subject of protection by the state. The central government has since 1971 allocated over 1.8 million yuan earmarked for renovating the central hall and the murals.

In 1991, the State Administration of Museums and Archeological Finds, the Tibetan Autonomous Regional Government and the Lhasa government invested another three million yuan for an all-round renovation of the Johkang Temple, with the focus on relics in the hall of the Sakyamuni.

The project has been carried out strictly according to China's law on the protection of cultural relics and on such principles as "no change in the original features".

By the end of last December, the first phase of the project had been completed. Some of the murals and color paintings had been restored to their original splendour.

#### North Region

##### Hebei Province Accelerates Labor, Wage Reform

SK0203025592 Shijiazhuang Hebei People's Radio Network in Mandarin 2300 GMT 28 Feb 92

[Text] Starting with the work to eliminate the iron rice bowl, guaranteed wages, and life-long tenure of posts, Hebei has quickened the pace in changing the operating mechanisms of enterprises. Up to now, 102 enterprises throughout the province have experimented with the comprehensive labor reform, more than 4,000 enterprises with the optimal organization of labor, and 217 enterprises with the all-worker labor contract system. The experiments involve 230,000 staff members and workers. A total of 90 percent of Hebei's state enterprises have instituted the system of linking wage to economic performance, and more than 180 enterprises have experimented with the post and skill wage system. Through analysis, cadres and workers of the enterprises experimenting with the change of the operating mechanisms came to understand more profoundly that the iron rice bowl, guaranteed wages, and life-long tenure of posts had long been the reason why there was no difference between a good job and a poor job and between more

jobs and fewer jobs, why the enthusiasm of enterprises and workers was seriously dampened, and why enterprises failed to regain vigor. Only when the iron rice bowl, guaranteed wages, and life-long tenure of posts are thoroughly eliminated can enterprises truly become economic entities which carry out management independently, are responsible for their own profits and losses, and have the ability to develop and restrain themselves.

To support enterprises in eliminating the iron rice bowl, guaranteed wages, and life-long tenure of posts, the provincial labor department formulated a series of policy measures for invigorating enterprises and changing their operating mechanisms in line with the actual conditions of the province. Regarding the distribution of wages, it stipulated that enterprises operating in the red due to poor management are prohibited from issuing bonuses to their staff members and workers, and the part of the wage which floats according to economic performance should be reduced. To change the practice of workers eating from the same big pot of enterprises, enterprises are allowed to determine their wage distribution measures in line with their own characteristics on the premise that the total wage is not exceeded. In this way, wage difference will be widened in a reasonable manner and distribution according to work will be truly practiced. Regarding employment, it strengthened labor management through contracts, optimized the organization of labor, gradually extended the application of the all-worker labor contract system, and eliminated the barriers between cadres and workers to establish an employment mechanism characterized by rational flow of laborers under which cadres can be promoted or demoted as required and workers can be employed or dismissed as required. Regarding the surplus personnel of enterprises, the province adopted the method for enterprises to absorb surplus personnel by themselves and supplemented it with regulation by society. It also gradually established and improved the unemployment insurance system to reduce the pressure on enterprises.

#### **Hebei 'Speeding Up' Construction of Key Projects**

*OW0203111492 Beijing XINHUA in English  
0901 GMT 2 Mar 92*

[Text] Shijiazhuang, March 2 (XINHUA)—North China's Hebei Province is speeding up construction of key projects in energy, transportation, petrochemical, telecommunications and other sectors.

According to Hebei Deputy Governor Ye Liansong, about 300 key construction projects will be built in line with the provincial Eighth Five-Year Plan (1991-96) and 10-Year Social Development Program. Of which, 151 are large and medium-sized capital construction and technical upgrading projects.

Ye said the 151 projects will cost 11.86 billion yuan. The province plans to invest 5.07 billion yuan in the coming four years.

Han Guizi, director in charge of the provincial key projects, said that Hebei Province invested a total of 1.224 billion yuan to build key projects in 1991, overfulfilling the target for last year.

He said that 12 of the 46 key projects implemented by the province last year were put into operation, including the Fengfeng Coal Mine with an annual coal production capacity of 1.2 million tons.

As a result, the province's overall economic strength improved. Last year, its provincial financial revenue reached 8.8 billion yuan.

Ye said that the development of Hebei's economy lagged behind that of the national average speed because of its small scale in investment in fixed assets in the past decade.

This year, the province will attempt to focus its attention on the construction of 25 key projects, which include the Shijiazhuang airport, a 15,000-ton berth in Tangshan Port, Shijiazhuang-Taiyuan highway, four geothermal power stations and other projects.

#### **Hebei Outlines 1991 Labor Work Priorities**

*SK2902085792 Shijiazhuang Hebei People's Radio Network in Mandarin 2300 GMT 20 Feb 92*

[Text] The provincial meeting of directors of prefectural and city labor bureaus, held on the morning of 20 February in Shijiazhuang City, pointed out: This year the province's labor work should be focused on reform of labor, wage, and social insurance systems with the purpose of continuously promoting the overall development of labor work and better facilitating the invigoration of large and medium-sized state enterprises and the change in enterprises' operation mechanism. This year, in the course of continuously improving labor employment work, maintaining stability of employment, and creating a fine environment and condition for deepening reform, labor work departments in the province should positively reform the labor planned management system, accelerate experiments for the per capita labor contract system, consolidate and expand the labor contract system, and further improve the reform of the labor employment system. The enterprises, which use the method of basing the total payroll on economic performance and which carry out comprehensive labor, wage, and social insurance systems reform under the guidance of state plans and governments, should be allowed to employ and use workers of their own accord on the precondition of ensuring a constant increase in labor productivity and fulfilling all economic targets, in line with the principle of increasing or cutting down the number of persons employed but not the total payroll. All prefectures and cities should select a number of large and medium-sized enterprises and local key enterprises to experiment with the per capita contract system. On the basis of optimizing labor organization, these experimental enterprises should sign contracts according to law

with all workers employed and should define the duties, rights, and interests of both sides.

These enterprises should break with the iron rice bowl and the iron chair, gradually break the bonds between cadres and workers and between fixed workers and contract workers, and gradually attain the goals that cadres can work at higher or lower levels as required and workers can be employed or dismissed as required. The surplus labor force of enterprises should be appropriately settled in line with the principle of rely mainly on the efforts of enterprises themselves while making the mutual-benefit readjustment subsidiary, and mainly through the methods of making enterprises themselves develop production, engage in diversified occupations, organize all kinds of labor service activities, develop the tertiary industry, and so on.

The surplus labor force of enterprises can also be settled through such interim methods as making laborers wait for jobs within enterprises and allowing them to have a long leave. In distribution of wages, enterprises should give inclination to hard, dirty, and tiring work posts and types and to high technology posts, should widen the gaps of wages between workers in the first line of production and those in the second and third lines of production, should truly base labor remunerations on labor contributions, and should implement the principle of distribution according to work.

#### **Hebei's Tangshan Promotes Opening to Outside World**

*OW0303081392 Beijing XINHUA in English  
0731 GMT 3 Mar 92*

[Text] Shijiazhuang, March 3 (XINHUA)—Tangshan, an energy and raw material production base in northern China's Hebei Province, is attempting to revitalize the city by opening to the outside world.

So far, the city has approved 92 foreign-funded enterprises, involving a total investment of 161 million U.S. dollars. Investors are from the United States, Japan, Singapore, Australia, South Korea, Canada, Austria, Russia, Italy and Hong Kong. These foreign-funded enterprises achieved an industrial output value of 256 million yuan in 1991, two times the figure of 1990.

Of the newly approved foreign-funded enterprises in 1991, 13 have gone into operation and all are industrial, export-oriented and technically advanced enterprises.

Tangshan, a city growing out of the debris of an earthquake in 1976, was listed as an open coastal area in 1988 by the state council. Over the past few years, the city focused its attention on the construction of roads, ports, electricity, telecommunication and other infrastructure facilities to pave the way for opening to the outside world.

This year, the city will put into use two 15,000-ton berths in the Tangshan port and increase electricity-generating capacity by 137,000 kilowatt. It will also introduce

24,000 computer-controlled telephone lines to further improve telecommunications facilities.

At present, the city can direct-dial large cities in China and 182 countries and regions.

#### **Daily Cited on Inner Mongolia Opening to Outside**

*OW0103133792 Beijing XINHUA in English  
1254 GMT 1 Mar 92*

[Text] Beijing, March 1 (XINHUA)—The Inner Mongolia Autonomous Region, which borders on Mongolia and the Commonwealth of Independent States (CIS), will further open to the world, the "PEOPLE'S DAILY" [RENMIN RIBAO] said.

The Beijing-based national paper said the region's Manzhouli outlet concluded trade contracts involving 240 million Swiss francs with Mongolia, the CIS and East European countries in January this year.

The paper noted that Inner Mongolia set a record in foreign imports and exports as well as in border trade last year.

According to statistics, the transaction volume of imports and exports topped 500 million yuan-worth to reach 599 million U.S. dollars-worth last year, an increase of 28.8 percent over the previous year; and its barter trade involved 375 million Swiss francs, up 115 million Swiss francs or an increase of 44.3 percent.

Inner Mongolia has opened seven enterprises overseas.

As a result of expansion and technical upgrading, Manzhouli and Erenhot cities have raised their transit trade capacity to 3.6 tons and 2.5 million tons, respectively.

The two outlets carry on trade with Mongolia, Russia and Eastern European countries by rail.

To boost trade, Inner Mongolia has expanded transportation facilities. Included are trains running between Hohhot, capital of Inner Mongolia, and Ulaanbaatar, capital of Mongolia; an air service between the two cities will begin soon.

With approval from the central government, Inner Mongolia will designate Hulun Buir League, which abounds in natural resources, in its eastern part and industrial city of Wuhai in its western part as experimental zones for economic reform.

They are backed by Hohhot and Baotou, two major economic and cultural centers in the region, which are improving investment conditions to attract more foreign business people.

Inner Mongolia has made full use of the special policy allocated to ethnic minority areas by the state.

According to incomplete statistics, industrial and business enterprises of 29 provinces, municipalities and autonomous regions have set up agencies in this region,

and business people from a dozen countries and regions have constructed some 200 projects involving more than 300 million U.S. dollars.

The paper said that Inner Mongolia has made a breakthrough in using foreign funds to boost its export-oriented economy.

A report shows that the region absorbed 1.2 billion U.S. dollars in foreign investment last year.

Hohhot had only 16 foreign-funded enterprises in 1990. But, as a result of the central government's efforts to boost the export-oriented economy, the city absorbed foreign funds totalling 193 million U.S. dollars and imported 104 foreign-funded projects last year.

### 'Largest Regional Trade Fair' Opens in Tianjin

*HK0203071592 Beijing CHINA DAILY in English  
2 Mar 92 p 1*

[By staff reporter Wu Yunhe: "Tianjin Fair Links Interior With World"]

[Text] Tianjin—China's largest regional trade fair opened here yesterday, with thousands of Chinese and foreign businessmen and officials crowding into the oldest northern port, which hopes to make new contributions to linking the interior of the country with the outside world.

City officials claimed that the 10-day Tianjin Export Commodities Fair, at the international economic and trade exhibition centre, is also the largest in the city's history.

"With a solid industrial foundation, the city is bound to play a leading role in the burgeoning foreign trade of the Northern, Northwestern, Tibetan and Xinjiang areas," said Li Shenglin, vice-mayor, at a news conference on the eve of the event.

The annual regional fair, which started in 1990, is co-sponsored by 12 cities, provinces and autonomous regions, including Beijing, Hebei, Shanxi, Shaanxi, Gansu, Qinghai, Ningxia, Xinjiang and Tibet, he said.

He expected that at least 2,000 overseas business people will turn up during the event, whose organizing committee has mailed more than 9,000 invitations worldwide.

Domestic participants from 270 enterprises throughout the country are showing nearly 10,000 kinds of agricultural and industrial products to visitors.

"The contacts between domestic and foreign businessmen will give both sides opportunities to increase international co-operation," he added.

The fair's business volume is expected to set a new record above last year's \$160 million.

Apart from straightforward import and export of commodities, the cooperative possibilities include compensation trade on exporting processing products with foreign supplied materials, joint ventures and labour exports.

The fair covers some 7,500 square metres at the exhibition hall and has 380 stands.

"The fair will feature the high-technology development in the participating cities, provinces and autonomous regions," Li said.

Local officials also believe that the annual event will help the city revamp its industrial enterprises through co-operation with foreign partners.

Li said that the municipal government has so far approved at least 945 joint ventures, with foreign partners mainly from Hong Kong, Japan and the United States.

### Tianjin Reports Upsurge in Study of Marx, Mao

*SK2902073492 Tianjin People's Radio in Mandarin  
2300 GMT 24 Feb 92*

[Text] As soon as the new semester began, an upsurge in actively studying the original works of Marx, Lenin and Mao Zedong has been adopted among college students on campus.

It was learned that in Tianjin Teachers University alone, its library lent out more than 150 books in a week on the works of Marx, Lenin, Mao Zedong, and books introducing Mao Zedong's work and life after the new semester began. The Marxist and Leninist study group among college students and the group in charge of recruiting party members also took the lead in conducting activities. These two groups have become the most appealing mass organizations of college students on campus with the greatest number of participants.

Over the last two years, party organizations of municipal institutions of higher learning at all levels have actively strengthened the training of college students on Marxist and Leninist theories and on the scientific world outlook. Through the holding of party classes, study in party schools, visits, lectures, and social practice, the communist conviction of college students has been strengthened. Many college students witnessed a great leap forward in their ideology and understanding in face of the complex international situation and generally raised their political quality. At present, nearly 400 Marxist and Leninist study groups have been spontaneously established among college students. More than 8,200 people applied for party membership, accounting for 16.3 percent of the total number of college students. Some 1,000 college students joined party organizations last year. In the study of the original works of Marx and Lenin, college students have gradually changed their attitude of being forced to study into an attitude of being eager to

study. Tianjin, Nankai, and Tianjin Teachers Universities, and other institutions of higher learning including the institutes of law, finance and economics, also made use of their after-school hours to hold lectures, forums, and essay collection activities to exchange their experiences and what they gained in the study of the works of Marx and Lenin. Some college students said with deep feeling: Marxism and Leninism will never be outdated. They still have great power because there we can find answers for many doubtful questions in our practical life.

### Northeast Region

#### Sun Weiben Attends New Style Economic Meeting

SK0303150792 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 29 Feb 92

[Text] The province has begun with the economic restructuring work conference to change its meeting style. This has been well received by the participants and the leading personnel of provincial level organs. Sun Weiben, secretary of the provincial party committee, praised the work conference as a practical action of transforming work style. He urged all circles to support and encourage the transformation. During the work conference, reporters saw that only one chairman and speakers on the conference's rostrum were allowed to speak and that the participating relevant leading personnel of provincial level organs only were seated in the row in front of the rostrum to listen to the reports. Such a meeting style in which the usual practice of inviting all leading personnel of six key provincial leading bodies to attend the conference has been abandoned, specific pertinent issues have been handled, and truth has been sought from facts is something fresh and new for the participants. The usual formalism has not been used to arrange the conference's agenda. The conference's period has been reduced from four days to three and half days, because only the outlines of the spirit of relevant national conferences, which should be studied and mastered by the participants, has been printed and distributed to the participants and the entire guidelines will not be relayed during the work conference. More than 20,000 yuan in conference expenses has been saved, because most working personnel of the work conference have not stayed at hotels and the few people who have to work at night have used only ordinary rooms.

#### Shao Qihui Addresses Restructuring Conference

SK0103224092 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 29 Feb 92

[Text] Governor Shao Qihui pointed out at the provincial economic structural reform conference that concluded on 29 February: This year, the province should take making structural readjustment and increasing economic results as a target and make real progress in the major aspects of improving state-owned large and medium-sized enterprises and developing the county economy. The provincial economic structural reform

conference lasted for three-and-one half days. At the conference, the participants discussed several documents, including the proposal for carrying out the system of contracted responsibility for attaining fixed targets among industrial enterprises, the proposal for relaxing four restrictions in a step-by-step manner among state and cooperative commercial enterprises, and the program for changing the operational mechanism of ("enterprises.)

Governor Shao Qihui pointed out in his speech: Improving state-owned large and medium-sized enterprises is not only an economic matter but also a key political matter relating to the consolidation of the socialist system. The key to improving large and medium-sized enterprises is to accelerate the change of enterprises' operational mechanism. At present, we should concentrate energy on eliminating the practice of everybody eating from the same big pot, of staff and workers carrying an iron bowl, and of cadres seating themselves on iron chairs; and make breakthroughs in reforming the employment, distribution, and personnel affairs systems.

Shao Qihui pointed out: The provincial party committee decided to take enlivening the county economy as a link to promote the development of the local economy and to also grasp the making of grain, animal husbandry, and township enterprises a coordinate process. They also decided to make trade, industry, science, education, and agriculture a coordinate process as well in urban and rural areas as the basic way for enlivening the county economy. By developing the county economy and making coordinate development in these four aspects under the existing systems, it will be certain to create barriers between urban areas and rural areas, between various departments, and between various regions; it will be difficult to reasonably distribute the means of production; farm product processing capacity will be weak; markets will not be well developed; and circulation will be blocked. To solve these problems, we should deepen reforms and gradually set up a managerial system and an operational mechanism that suit the development of the county economy.

Shao Qihui especially stressed: The major policies of the central authorities and the province have been worked out. A matter of key importance at present is to unify the thinking of the vast number of cadres and the people with the guidelines of the instructions of the central authorities and the provincial party committee and to implement various reform tasks to the letter.

Shao Qihui urged that leading cadres at various levels should improve their work style; extricate themselves from the trammels of excessive meetings, excessive documents, routinism, red tape, and formalism; not be satisfied at the administrative methods of only relying on convening meetings, issuing documents, and making speeches; and grasp the implementation of various

reform work tasks by adopting necessarily administrative, lawful, and ideological work means, making various economic [words indistinct], and comprehensively using various economic levers.

### **Heilongjiang Releases 1991 Economic Statistics**

*SK2802230692 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 27 Feb 92*

[Text] Heilongjiang's 1991 GNP totaled 70.1 billion yuan, up 4 percent from the preceding year, and its national income 63 billion yuan, up 3.1 percent. After three years of efforts in economic improvement and rectification, the total demand and supply remained by and large balanced last year, with the difference resulting from the outstripping of total demand over total supply being narrowed to 5.6 percent as in the preceding year.

The growth rates of the major indexes of production became more balanced. Industrial production picked up steadily and the production of important products of basic industries and agriculture-oriented products increased in a stable manner. Bumper harvests in agriculture were reaped despite serious disasters. The province's output of grain, soybeans, and tubers stood at 21.643 million tons.

Investment in fixed assets made by the entire society rose by 18.2 percent from the preceding year. Markets were stable and sales were brisk. Commodity supplies were ample and retail sales grew substantially. Financial revenues registered an increase and commodity prices and the monetary situation remained relatively stable. Heilongjiang's 1991 revenues rose by 1.7 percent over the preceding year and its retail prices rose by 6.5 percent, which was lower than the prescribed rate that retail price growth should be kept within.

The living standard continued to improve thanks to stable economic development. Workers' wages showed an increase over the preceding year and people's savings deposits were 14.1 percent more than in the preceding year.

Despite improvement in the economic situation in 1991, economic efficiency had yet to be fundamentally improved. Heilongjiang's economic upturn was supported by credit to a great extent. Compared with the preceding year, industrial loans increased by 3.84 billion yuan in 1991 but the industrial output value rose by merely 4.05 billion yuan.

### **Jilin Vice Governor Outlines Education Objectives**

*SK2802032792 Changchun Jilin People's Radio Network in Mandarin 2200 GMT 26 Feb 92*

[Text] Provincial Vice Governor Zhang Yueqi signed a letter of responsibility for management objectives of Jilin Province's 1992 educational work with comrades in charge of education from the governments of nine localities of the province on 26 February. The letter of responsibility prescribes 10 objectives of educational

development that city, prefectural, and autonomous prefectural governments should attain this year. They include further enhancing understanding of the strategic position of the endeavors to develop education on a priority basis and to develop agriculture through the application of science and technology and the promotion of education; stepping up efforts to establish necessary laws and regulations on education; intensifying moral education; collecting education funds from various channels; continuing to improve teaching conditions, and improving the contingent of teachers.

Jilin Province has applied the method of management through objectives to elementary education for three years in succession and has achieved notable results. As of now, the six-year compulsory education has been implemented in 85 percent of the towns and townships of the province, which is higher than the national average. The province's weak junior middle school education has been greatly changed. As many as 90 percent of primary school graduates continue to attend junior middle schools, which is higher than the national average rate of 74.6 percent. Education of minority nationalities, preschool education, and special education have also been strengthened. More than 1.1 million square meters of school houses were built, expanded, or renovated, and 97 percent of the school houses of primary and middle schools are brick and tile-roofed ones, thus further improving the teaching conditions. Such methods have become effective ways to facilitate the reform and development of elementary education.

The letter of responsibility was signed on 26 February by Zhang Yueqi on behalf of the provincial government, Chen Mokai on behalf of the provincial education commission, comrades in charge of education from the governments of various localities, and responsible comrades of their education commissions for the purpose of further improving the responsibility system for management with objectives of educational work. The letter also has the purpose of improving the management of educational work, and promoting the sustained development of education. After the letter signing ceremony, the provincial education commission commended and awarded Tonghua and other localities which had scored outstanding achievements in the management through objectives of educational work for 1991 and in [words indistinct] activities.

### **Vice Governor Addresses Light Industry Deficits**

*SK20203022192 Shenyang Liaoning People's Radio Network in Mandarin 1030 GMT 28 Feb 92*

[Text] The provincial meeting of light industrial bureau directors ended this morning. At the conference, Vice Governor Wen Shizhen pointed out: In 1991, our province witnessed a slow economic upturn in light industry and serious deficits among enterprises, and our province's light industrial material markets were filled with goods from other provinces and were becoming small in

number. The main reason for this is that our enterprises lack a sense of competition and the products lack competitiveness.

Wen Shizhen said: To end the present deficit situation, first of all, we must deepen reform, and change the enterprise operational mechanism. Collective enterprises in particular should eliminate the pattern that all state enterprises must be run and managed by officials, and be restored to one being run and managed by the people. Regarding money-losing enterprises, we should first eliminate the practices of iron rice bowls, iron armchairs and iron wages, and eating from one big pot.

Wen Shizhen said: Promoting enterprise technological progress has a vital bearing on raising the competitiveness of products. We should continue to import foreign advanced technology and equipment and accelerate the pace of turning scientific research findings into productive forces.

#### Liaoning Holds Foreign Trade Work Conference

SK0203052892 Shenyang Liaoning People's Radio Network in Mandarin 1030 GMT 1 Mar 92

[Text] The provincial foreign trade work conference was held in Shenyang on 1 March.

The conference set forth: In 1992, the provincial foreign trade front should continuously persist in the thinking of developing foreign trade on a large scale, promote the development of the national economy through exports, develop production in line with the needs of the domestic and international markets, and readjust the export commodity structure to promote the optimization of the provincial production structure and the provincial product mix and the modernization of technique and equipment. At the time of consolidating and developing traditional markets, we should exert great efforts to pioneer markets among developing countries, the CIS, and East European countries, and increase the export quotas toward these countries and regions.

The conference proclaimed: This year, we should concentrate efforts on helping the machinery, electronics, textile, metallurgical, chemical industrial, and building material trades; we should upgrade their export and foreign exchange earning capacities; and develop a group of new products with less investment and faster and higher efficiency.

Xu Shaofu, chairman of the provincial committee of the Chinese People's Political Consultative Conference, and Zhang Rongmao, vice governor of the provincial government attended the conference and also made important speeches at the conference.

#### Liaoning Province Sets 1992 Forestry Target

SK0203023892 Shenyang Liaoning People's Radio Network in Mandarin 1030 GMT 28 Feb 92

[Text] The provincial forestry work conference ended in Shenyang today. The conference defined the 1992 forestry construction target which includes building 3 million mu of man-made forests, planting 110 million trees by the people on a voluntary basis, and producing 950,000 cubic meters of timber. At the same time, it also decided to continuously conduct a provincial wide forestry propaganda month activity from 12 March to 12 April.

Vice Governor Xiao Zuofu summarized the conference. He said: In 1991, our province completed 2.881 million mu of man-made forests, improved 255,000 mu of low-yield forests, and maintained an average tree survival rate of 86 percent. All these targets were among the best in the whole country. However, they still lag behind the whole province's economic development needs and demands, which were mainly manifested in the uneven forestry development, disintegration of social and economic efficiency in forestry, and the failure in fundamentally improving the ecological environment in some localities.

Xiao Zuofu said: The provincial party committee and government have proposed that efforts be made to make the whole province green by the year 2000. That is we must complete 3 million mu of man-made forests annually. This demands all localities across the province to accelerate the afforestation rate on the premise of guaranteeing quality. The whole party, all the people, and the whole society must be mobilized to run forestry, and to accelerate the pace of making Liaoning green.

On behalf of the Ministry of Forestry, the conference also presented plaques and certificates of merit to our province's advanced units and individuals who did an outstanding job in building the second phase of the forest shelterbelts in the northwest, north and northeast of China. The conference presented plaques and certificates to units that won the national comprehensive quality management award for village forest farms, and the national plain greening advanced units.

Feng Yousong and Li Jun, vice chairmen of the provincial people's congress Standing Committee; Yue Weichun, vice chairman of the provincial committee of the Chinese People's Political Consultative Conference; and Wu Zhimin, deputy secretary general of the provincial government, attended today's conference.

#### Liaoning Agricultural Work Conference Ends

SK0203021592 Shenyang Liaoning People's Radio Network in Mandarin 1030 GMT 28 Feb 92

[Text] The provincial agricultural work conference ended in Shenyang today. Feng Yousong and Li Jun, vice chairmen of the provincial People's Congress Standing

Committee; Xiao Zuofu, vice governor; and Yue Weichun, vice chairman of the provincial committee of the Chinese People's Political Consultative Conference, attended the conference. Yue Weichun also gave a speech. At the conference, 17 counties and districts, including Sujiatun district, where bumper harvests of grain, vegetables, and fruits are being reaped were commended.

In his speech, Vice Governor Xiao Zuofu said: Last year was our province's record year in extensively applying and popularizing agricultural technology, and achieving the best results. The grain and oil-bearing crop bumper harvest plan was applied to 4.99 million mu of fields, which was 38.7 percent greater than plan, producing 490 million kg of grain. Noticeable progress was also seen in the whole province in signing scientific and technological contracts. Scientific and technological contracts were implemented in nearly half of the cultivated lands.

In referring to this year's agricultural production, Xiao Zuofu said: It is necessary to firmly foster the ideology that science and technology are the primary productive forces, do a good job in grasping agricultural technology popularization with the bumper harvest plan as the lead, apply new agricultural achievements to agricultural production, continue to attend to agricultural scientific and technological contracts, and fulfill the plan of improving 3 million mu of fields. Spring plowing is approaching, he said. All localities should firmly grasp the limited time to prepare for spring plowing, and fight well the first battle in this year's agricultural production.

### Northwest Region

#### CPPCC Views Gu Jinchi, Jia Zhijie Speeches

*HK0203124092 Lanzhou Gansu People's Radio Network in Mandarin 2300 GMT 28 Feb 92*

[Excerpts] The fifth session of the sixth provincial Chinese People's Political Consultative Conference [CPPCC] committee entered its fourth day yesterday.

For a few days, the provincial CPPCC committee members had conscientiously discussed a speech delivered by provincial party committee Secretary Gu Jinchi at the opening session as well as a government work report made by provincial Governor Jia Zhijie at the fifth session of the seventh provincial People's Congress. [passage omitted]

In another development, when deliberating the aforementioned government work report, many members of the Lanzhou City delegation to the fifth session of the seventh provincial people's congress hailed Deputy Jia Zhijie's talk at a panel discussion as the most impressive one, in which Jia said: Now we are facing another opportunity to invigorate the provincial economy. The central authorities are calling for accelerating the pace of reform. As a result, the whole country has been mobilized. A macroscopic environment for reform and

opening up has already taken shape. We must firmly grasp this opportunity, update our concepts, emancipate our minds, and further push ahead with Gansu's economic development. Gansu has uniquely superior resources. Over the past few years, we have implemented a strategy of promoting Gansu's development by virtue of energy resources' exploitation and development. Practice has borne out that this is a correct strategy. This year, we must mobilize the whole province to participate in and support economic construction and protect and promote reform and opening up. [passage omitted]

#### People's Congress Opens; Jia Zhijie Attends

*HK0303020592 Lanzhou Gansu People's Radio Network in Mandarin 2300 GMT 26 Feb 92*

[Excerpt] The Fifth Session of the seventh provincial People's Congress opened in Lanzhou. The auditorium of the provincial government hall has been wholly refurbished. In the center of the rostrum hang PRC national emblems, with 10 shining red flags and ivies on both sides. The fresh flowers placed before the rostrum exuded the aura of spring.

The meeting was presided over by Xu Feiqing, the session's executive chairman and executive chairman of the presidium.

[Begin Xu Feiqing recording] Fellow deputies, the Fifth Session of the Seventh Gansu Provincial People's Congress should be attended by 512 deputies. At 0000 on 26 February, 450 deputies had reported for attendance. With 10 calling in sick or taking casual leave, the number of deputies present at today's morning session was 440, which gives us a quorum. Now I declare that the Fifth Session of the Seventh Gansu Provincial People's Congress is open. I now ask Governor Jia Zhijie to make the Government Work Report. [end recording]

[Beginning Jia Zhijie recording] Fellow deputies, on behalf of the provincial people's government, I will now make the government work report to the session for your examination and discussion. The year 1991 was the first year for the pursuit of the national economy, the 10-year program of social development, and Eighth Five-Year Plan. People of all nationalities across the province, under the leadership of the provincial party committee, have conscientiously implemented the spirit of the party Seventh and Eighth Plenary Sessions of the 13th CPC Central Committee and central work conference; upheld economic construction as the center; upheld the four cardinal principles and reform and opening up; marched along the path of socialism with Chinese characteristics at a firm and unwavering pace, consolidated and developed a stable and unified political situation, and promoted sustained economic development and all-round social progress. [end recording]

The full text of Governor Jia Zhijie's government work report has 20,000 characters and is divided into three parts. The first part concerns the performance achieved by last year's provincial government work and the gaps

which existed; the second part lists the main tasks of this year's government work; and the third part concerns deepening reform, expanding opening up and striving to complete various new tasks. [passage omitted]

### Jia Zhijie Gives Work Report

HK0303104192 Lanzhou Gansu People's Radio Network in Mandarin 2300 GMT 28 Feb 92

[Text] When reviewing the provincial industrial situation in 1991 in his government work report, provincial Governor Jia Zhijie said: Over the past year, various industrial departments and enterprises of our province have overcome a host of such problems as fund shortages, limited transportation capacity, overstocked products, and so on; actively carried out the Quality, Variety, and Efficiency Year activities; made painstaking efforts to improve large and medium-sized state-run enterprises; and steadily readjusted industrial structure and product mix with the result that the 1991 annual provincial industrial output value reached 31.8 billion yuan, representing a 7.1 percent increase over the previous year, and the production of most of the 54 major products listed in the state plan overfulfilled the assigned annual quota.

Speaking of a number of major problems plaguing the provincial industrial front in 1991, Jia Zhijie noted: The major problems consisted of slow structural readjustment and poor economic efficiency. By and large, we failed to invigorate various large and medium-sized state-run enterprises; the pace of shifting enterprise operative mechanism remained slow, the Enterprise Law failed to be enforced to the letter; enterprises failed to be placed within the orbit of the law; some enterprises were still troubled by both a slow flow of funds and triangle debts to a glaring extent.

In view of all the aforementioned problems, Jia Zhijie stated: This year, the provincial government must make every possible endeavor to shift industrial and communications productions mainly into an orbit characterized by reliance on modern science and technology and by structural readjustment and improvement of efficiency betterment; must try to improve the existing quota assessment system, raise efficiency quotas, develop more new products, and take developing new products as a strategy for increasing output value and as an important means of expediting economic growth; and must adapt production to market changes, make full use of all locally available superior raw and processed materials, carry out both in-depth exploitation and comprehensive utilization, and strive to raise the province-wide enterprise management standard.

### Gansu Secretary, Governor Address Conference

HK0303104792 Lanzhou Gansu People's Radio Network in Mandarin 2300 GMT 29 Feb 92

[Text] Yesterday morning, the provincial party committee and government jointly convened in the auditorium of Lanzhou's Linmuzhuang Hotel a broadcast and televised mobilization conference on drought resistance and spring plowing work.

The conference was presided over by provincial Vice Governor Lu Ming.

Provincial Governor Jia Zhijie and provincial party committee Secretary Gu Jinchi delivered important speeches at the conference.

Comrade Jia Zhijie stated in his speech: Today, the provincial party committee and government are jointly calling a broadcast and televised mobilization conference on drought resistance and spring plowing work and calling on the whole province to take immediate action to conscientiously implement and carry out the spirit of the enlarged sixth plenary session of the seventh provincial party committee under the guidance of the spirit of the Eighth Plenary Session of the 13th CPC Central Committee. To this end, we must mobilize all party members as well as people of the whole province to fight drought, protect grain production, make every possible endeavor to win the first battle of spring this year in a down-to-earth manner. At present, we must concentrate efforts on the following aspects:

1. To immediately mobilize ourselves to fight drought by all means and to comprehensively implement work plans made by the provincial party committee and government;
2. To devote our main energies to various key work aspects, implement clearly oriented preferential policies, and guarantee an increase in grain output in all major grain producing areas;
3. To give full scope to the vital role played by water conservancy works in the overall drought resistance work;
4. To fight drought by relying on advanced science and technology and strictly implement various drought resistance measures;
5. To take account of the overall situation and properly arrange people's livelihood in various disaster-stricken areas;
6. All trades and professions must redouble their efforts to support drought resistance and spring plowing work;
7. To strengthen leadership and firmly grasp implementation work.

Comrade Gu Jinchi emphatically pointed out in his speech: The provincial spring plowing production is being gradually unfolded from east to west. Now that we have clearly defined our spring plowing plans, goals, and measures, leaders at all levels must take practical measures to improve work style, work in a down-to-earth and pragmatic manner, and implement all necessary measures among tens of thousands of households as well as to each and every field. The party committees and governments at all levels must meticulously organize all forces, make overall arrangements, concentrate all available human and material resources, mobilize tens of thousands of people, strive to win a victory in drought resistance and spring plowing production, and lay a sound basis for reaping a good agricultural harvest this year.

Also attending yesterday's conference were other provincial leaders, including provincial advisory committee Chairman Li Ziqi; Xu Feiqing, provincial people's congress Standing Committee chairman; Yan Haiwang, provincial party committee deputy secretary; Han Zheng-qing, provincial party committee Standing Committee member; provincial Vice Governor Mu Yongji; as well as persons in charge of various provincial party committee and government departments.

Various prefectures and counties across the province could also hear and watch the live broadcast of the conference yesterday.

#### Ningxia Region Opens Wider To Develop Economy

*OW2902043192 Beijing XINHUA in English  
0230 GMT 29 Feb 92*

[Text] Yinchuan, February 29 (XINHUA)—Northwestern China's Ningxia Hui Autonomous Region is joining hands with both domestic and overseas businesses to develop its economy.

Statistics from the regional government show the ethnic region signed 77 economic and technological co-operation contracts with foreign businesses to import 31 items of advanced technology and 33.2 million U.S. dollars in foreign investment during the last Five-Year Plan period (1986-90).

The region also organized the Ningxia International Yellow River Cultural Festival last year to boost its ties with other parts of the world. During the festival, it exported goods valued at five million U.S. dollars and signed contracts for over 20 projects to use 2.8 million U.S. dollars.

Local government has also been stressing co-operation with domestic businesses outside the region. Long-term regular co-operation has been established with 10 provinces, municipalities and autonomous regions. It also has economic and technological co-operation ties with another 19 provinces, municipalities and autonomous regions.

Ningxia has signed agreements with domestic businesses for more than 3,000 joint projects and received investment totalling 260 million yuan from other parts of the country.

The regional government has worked out a series of policies that favor the development of rural industries and private businesses. Large and medium-sized state-owned enterprises will also have to introduce new reform measures to improve their efficiency.

#### Secretary, Governor at Shaanxi CPPCC Closing

*HK0303104292 Xian Shaanxi People's Radio Network in Mandarin 0030 GMT 29 Feb 92*

[Excerpts] The Fifth Session of the Sixth Shaanxi Provincial Chinese People's Political Consultative Conference [CPPCC] Committee successfully fulfilled its agenda and wound up in Xian's Quyuan Hotel yesterday afternoon.

Wu Qingyun, provincial CPPCC committee vice chairman, presided over the closing ceremony. [passage omitted]

The session adopted: the resolution on the Sixth Shaanxi Provincial CPPCC Committee Standing Committee Work Report; the report of the Sixth Shaanxi Provincial CPPCC Committee Motions Committee on Examination of Motions Advanced by Members at the Fifth Session of the Sixth Shaanxi Provincial CPPCC Committee; and the Political Resolution of the Fifth Session of the Sixth Shaanxi Provincial CPPCC Committee.

Provincial CPPCC Committee Chairman Zhou Yaguang delivered a closing speech in which he stated: The key to economic development, Guizhou's development, and Guizhou people's prosperity lies in in-depth reform and expanded opening up. The provincial party committee and government have decided to further deepen reform and expedite opening up as of this year. Therefore, the provincial CPPCC committee members must first and foremost understand, support, participate in, and promote reforms. To push ahead with socialist economic construction and successfully promote all sorts of reforms, we do need a stable social environment. Especially, given a volatile international situation at present, it is all the more necessary for us to maintain a political situation of stability and unity at home. Thus safeguarding a political situation of stability and unity still remains an important task for the CPPCC committees at all levels. We must continue to successfully organize study activities among both CPPCC committee members and personages from all walks of life with an eye on heightening their ideological understanding, promoting a common understanding, and maintaining stability and unity within our united front. Let us hold aloft the banner of patriotism and socialism, buckle down, make persistent efforts to win more victories, work with one heart and one mind, and strive to attain all our goals under the leadership of the CPC Central Committee with Comrade Jiang Zemin as the core and under the leadership of the Shaanxi Provincial CPC Committee. [passage omitted]

Dong Jichang, Liu Gangmin, Wei Minzhong, Shen Shangxian, Hu Jingtong, Hu Jingru, Li Sengui, Shen Jin, Liu Liangzhan, Huang Junshan, and Zhang Heling, provincial CPPCC committee vice chairmen, as well as Wang Zhiming, provincial CPPCC committee secretary general, attended yesterday's closing ceremony.

Provincial party committee, discipline inspection commission, people's congress, and government leaders, including [Secretary] Zhang Boxing, [Governor] Bai Qingcai, Li Xipu, An Qiyuan, Liang Qi, Li Huanzheng, and Xu Shanlin, as well as Shaanxi-based Central Advisory Commission members and CPPCC National Committee members, some veteran comrades, and persons in charge of the provincial branches of various democratic parties, such as Chang Lifu, Sun Zhuobin, Li Jianren, Li Jinlun, Chen Xuejun, Shi Yanhai, Yang Chunming, and Han Wei, also attended and extended their congratulations at the closing ceremony.

The fifth session ended amid the majestic song of the Internationale.

#### Reportage Details Tomur Dawamat's Activities

##### Delivers Government Work Report

OW0303134992 Urumqi Xinjiang Television Network  
in Mandarin 1655 GMT 2 Mar 92

[From the "Xinjiang News" program]

[Text] In his government work report delivered at the fifth annual session of the Seventh Autonomous Regional People's Congress, Chairman Tomur Dawamat pointed out: In 1991, the autonomous region conscientiously implemented the party's various policies concerning farming and pastoral areas and continued to intensify its reforms, thereby arousing farmers and herdsmen to aspire to a bumper harvest in the face of natural disasters. Pertinent departments in various localities took vigorous measures to foster comprehensive agricultural development, devoted great efforts toward capital construction in farming and pastoral areas with an emphasis on irrigation works, and promoted the dissemination and application of science and technology to increase agricultural production. The efforts bore good results. The region's total agricultural output value is estimated at 16.5 billion yuan, up 5.6 percent from the previous year. Total grain output is predicted to reach 6.77 million tonnes, about the same as the year before, while the gross income of rural enterprises is expected to be 2.917 billion yuan, up 16.72 percent. The antipoverty work has entered into the stage of economic development whose main goal is to shed poverty and achieve prosperity. By the end of 1991, 88 percent of poor households were able to feed and clothe themselves.

Tomur Dawamat said: This year, the region should further intensify its rural reform, continue to stabilize the household contract responsibility system with remuneration linked to output, refine the dual managerial system combining centralization and decentralization, actively develop socialized services, and strengthen the collective economy. We should give top priority to grain production, readjust the industrial structure in rural areas, and vitalize agriculture with the help of science, technology, and education. In addition, we should increase our input in agriculture and animal husbandry

through various channels with an emphasis on science and technology; earnestly promote comprehensive agricultural development aimed at increasing the production of grain, cotton, sugar, and livestock; and further foster economic development in impoverished areas.

Tomur Dawamat called on various trades and professions to keep the overall interest in mind. He asked them to take effective steps to lighten the financial burdens of farmers and herdsmen and make concerted efforts to support agriculture and animal husbandry.

##### Speaks at Regional Congress Session

OW0303073092 Urumqi Xinjiang Television Network  
in Mandarin 1655 GMT 1 Mar 92

[From the "Xinjiang News" program]

[Excerpts] Urumqi in early spring is still quite cold. Spring is, however, very much in the air inside the Xinjiang Hall of the People. The Fifth Session of the Seventh Xinjiang Uygur Autonomous Regional People's Congress held its opening ceremonies there today. [passage omitted]

Items on the session's agenda are to hear and examine a report on the work of the autonomous regional people's government, to hear and deliberate on a report by the autonomous regional people's government on the implementation of the region's 1991 economic and social development plan and the 1992 draft plan, to examine and approve the implementation of the region's 1991 economic and social development plan and the 1992 draft plan, to hear a report by the autonomous regional government on the implementation of the 1991 budget and the 1992 draft budget, to examine and approve the implementation of the 1991 budget and the 1992 budget, to hear and examine a report on the work of the Standing Committee of the autonomous regional People's Congress, to hear and examine a report on the work of the regional higher people's court, and to hear and examine a report on the work of the regional people's procuratorate.

Seated on the front row of the rostrum were regional people's congress Standing Committee leaders: Chairman Amudun Niyaz; Vice Chairmen Caodanuofu Zhayier, Zhang Sixue, Mahinur Kasim, Shi Geng, Xiaer Xibieke Sidike, Zhang Shaopeng, Ma Mingliang, Kuerban Ali, Abudureymu Litifu, Xu Peng, Turbayim, Abulayoufu; and Secretary General (Yashengnacier).

Also attending the session were Vice Chairman Wang Enmao of the CPPCC [Chinese People's Political Consultative Conference] National Committee and leaders of the regional party committee, government, and the Production and Construction Corps, including Song Hanliang, Tomur Dawamat, Janabil, Li Shoushan, Zhang Fusen, Keyum Bawudun, Tang Guangcui, Wang

Lequan, Zhou Shengtao, (Zhou Guofu), (Haili Qielisilamu), Chen Xifu, Ba Dai, Gao Huanchang, and Liu Shuangquan. They extended congratulations to the session.

At 1430 [0630 GMT], Chairman Amudun Niyaz of the regional people's congress Standing Committee, declared the session open.

Chairman Tomur Dawamat of the autonomous regional people's government delivered a report on the work of the regional government. The report is divided into three parts: 1) review of 1991; 2) work in 1992; 3) changing work style.

Reviewing last year's work, Tomur Dawamat said: Last year was an unusual year, a year in which we overcame difficulties and achieved progress. Under the correct leadership of the CPC Central Committee, State Council, and regional CPC committee, the people's governments at all levels in the region, including the regional government, persisted in developing the economy as their central task, upheld the four cardinal principles, and persisted in reform and opening up. Thanks to the hard work of people of all nationalities in the region, we scored marked progress in work in all fields. The region's 1991 gross regional product is estimated at 29.08 billion yuan, up 9.7 percent over the previous year in terms of 1990 prices. Regional income was 23.66 billion yuan, up 9.2 percent; total industrial and agricultural output was 43 billion yuan, up 10.2 percent; total revenues were 2.4 billion yuan, up 12 percent; total volume of retail sales was 13.5 billion yuan, up 17 percent; exports totaled \$363 million, up 8.4 percent. The various economic indexes were all fulfilled or overfulfilled.

Tomur Dawamat said in his report: The reason we accomplished so much in 1991 is because we paid attention to the following work:

First, we continued developing agriculture as the foundation of the economy and reaped the 14th consecutive good harvest in spite of the drought.

Second, we effected a sustained, steady industrial growth and promoted the campaign: the Year of Quality, Variety, and Efficiency.

Third, we worked out a series of measures to persistently implement reform and opening to the outside world.

Fourth, we attached great importance to science and technology and education and made new progress in various areas.

Fifth, the production and construction corps accelerated the pace of reform and opening up and brought about steady progress in all areas.

Sixth, we upheld the four cardinal principles and consolidated and developed the stable and unified political situation.

Tomur Dawamat said in his report: This is the second year of the region's Eighth Five-Year Plan, a year in which we will implement the policies promulgated last year and try our best to accomplish even more. For this

reason, governments at all levels in the region must pay close attention to the following tasks:

First, devote more efforts to agricultural work and work in the countryside and make 1992 the 15th consecutive bumper harvest year.

Second, implement structural readjustment and improve economic efficiency, with the focus on invigorating state-owned large and medium-sized enterprises.

Third, vigorously develop secondary and tertiary industries with village and township enterprises as their main body and bring about comprehensive development in the rural towns and townships.

Fourth, open wider to the outside and open up a new situation in foreign trade and in economic, scientific, and technical cooperation with the outside world.

Fifth, pay greater attention to increasing revenues and economizing on expenditures and improve returns on capital use.

Sixth, further enliven circulation and improve the supplies of daily necessities in both urban and rural areas.

Seventh, actively develop science and technology, education, public health, and physical well-being and bring about comprehensive progress to society.

Eighth, promote spiritual civilization and create a good social environment for the smooth progress of economic construction.

Ninth, pay persistent efforts to ensuring stability to facilitate economic construction and development of all projects.

Tenth, step up construction of the corps and comprehensively develop its projects. [passage omitted]

### Regional Congress Presidium Holds First Meeting

OW0303061192 Urumqi Xinjiang Television Network  
in Mandarin 1665 GMT 1 Mar 92

[From the "Xinjiang News" program]

[Text] The Presidium of the Fifth Session of the Seventh Xinjiang Uygur Autonomous Regional People's Congress held its first meeting this morning.

Amudun Niyaz, chairman of the Standing Committee of the regional people's congress, presided over the meeting. The meeting elected the permanent chairman of the presidium; adopted a namelist on the grouping of the session's executive chairmen; elected the session's deputy secretaries general; adopted the session's schedule; adopted the deadline for accepting motions; and adopted a draft on procedure for passing resolutions at the Fifth Session of the Seventh Xinjiang Uygur Autonomous Regional People's Congress that will be submitted to the session for examination.

**Xinjiang Foreign Trade Experiences Rapid Growth**

*OW0303120492 Beijing XINHUA in English  
1141 GMT 3 Mar 92*

[Text] Urumqi, March 3 (XINHUA)—The Xinjiang Uygur Autonomous Region in northwestern China bordering countries of the Commonwealth of Independent States (CIS) has seen the acceleration of foreign trade this year.

In mid February, the region sent a high ranking trade delegation to several mid Asian countries to seek chances to expand economic and trade cooperations.

Xinjiang has signed border trade contracts worth over 700 million Swiss francs with countries of the CIS.

So far, the region has established trade and economic relations with over 50 countries and regions, with the

annual export value exceeding over 360 million U.S. dollars, as compared with 47 million U.S. dollars 10 years ago.

Over 110 projects of various kinds involving overseas investment have been approved, of which 350 million U.S. dollars were materialized.

In 1991, Xinjiang's trade volume with the bordering countries reached 99.58 million U.S. dollars, 41.9 percent more than the previous year.

From the latter part of last year, Xinjiang began to export a huge amount of grain, livestock, and sugar to mid Asian countries.

To the Republic of Kazakhstan alone, it exported 150,000 livestock last year, and in this year, signed a contract to export 25,000 live sheep in exchange for fertilizer, steel materials, and cement.

**Li Teng-hui Attends Mainland Exhibition**

OW0203141092 Beijing XINHUA in English  
1340 GMT 2 Mar 92

[Text] Beijing, March 2 (XINHUA)—Li Teng-hui, acting chairman of the Kuomintang, the ruling party on the island of Taiwan, visited an exhibition from China's mainland, the "China Dunhuang Ancient Science and Technology Exhibition," held in Kaohsiung City, Taiwan, on February 29.

During his half-hour visit Li showed great interest in the exhibits dealing with agriculture, frescoes and paper-making techniques and expressed fulsome praise for the exhibition after the visit, according to the Taiwan press.

Sponsored by the China Association for Science and Technology, the exhibition opened February 9 in Kaohsiung. More than 100,000 Taiwan compatriots have visited it so far.

**Government Set To Negotiate on GATT Membership**  
*OW0303092392 Taipei CNA in English 0802 GMT*  
*3 Mar 92*

[Text] Taipei, March 3 (CNA)—Economic Affairs Minister Vincent Siew [Hsiao Wan-chang] said Monday he is not sure whether the General Agreement on Tariffs and Trade (GATT) will discuss Taiwan's membership application during its mid-March council meeting.

Nevertheless, Siew stressed, the Republic of China [ROC] has readied itself to negotiate with all GATT contracting parties on its bid to join the Geneva-based world trade promotion body.

The minister noted that GATT authorities will announce the agenda for its March 20 council meeting around March 10.

"By then," Siew said, "we'll know whether or not the GATT will start to screen our application."

The ROC applied to join the GATT in January 1990 under the name "Taiwan, Penghu, Kinmen and Matsu customs territory." The greatest obstacle to Taipei's bid is unwarranted opposition from Peking [Beijing].

Siew said instead that in January the Republic of China sent a detailed report on Taiwan's comprehensive trade and economic system to the GATT.

"We have made every possible effort to facilitate our accession to the powerful 103-member world trade promotion body," the minister explained.

Taiwan must obtain the approval of two-thirds of GATT members before it can join the organization which is devoted to removing all barriers to global trade.

**Economics Minister Returns From Australian Visit**  
*OW0303093192 Taipei CNA in English 0753 GMT*  
*3 Mar 92*

[Text] Taipei, March 3 (CNA)—Business and trade relations between Australia and Taiwan are expected to grow more quickly than before, Vice Economics Minister P.K. Chiang said Monday.

Chiang, who has just returned from a wheat purchasing mission to Australia, said the Aussie Government welcomes Taiwan investors.

Chiang said Australia wants to open the Taiwan market for Australian automobiles and apples.

Two-way trade between Taiwan and Australia jumped from US\$1.2 billion five years ago to US\$3.5 billion last year, he said.

Raw materials, including minerals and coal, have been major import items from Australia to Taiwan. Wheat will now be added on the list, Chiang said.

**Investment Guarantee Pact Signed With Philippines**  
*OW2902091892 Taipei CNA in English 0813 GMT*  
*29 Feb 92*

[Text] Taipei, Feb. 29 (CNA)—The Republic of China and the Philippines signed an investment guarantee agreement in Taipei Friday to promote economic ties between the two countries in the absence of diplomatic relations.

The agreement was signed at the Ministry of Foreign Affairs by Liu Ta-jen, ROC representative in Manila, and his Philippine counterpart Joaquin R. Roces, on behalf of the two parties.

Witnessing the ceremony were Chinese vice economic affairs minister Lee Shu-jou, Philippine Undersecretary of Trade and Commerce Tomas Alcandara and other ranking officials from both countries.

Alcandara, currently on a five-day visit here as head of the Philippine delegation to the first Taipei-Manila economic consultation, described the accord as a significant breakthrough in Sino-Philippine relations.

Despite the lack of diplomatic ties, Alcandara acknowledged that the agreement, under which the Philippines will extend favorable treatment to Taiwan investors, is an "official" accord.

Alcandara noted that the pact signifies Manila's determination to boost trade and economic cooperation with Taiwan.

Roces, director of the Philippine economic and cultural office in Taipei, said the agreement reflects the "mutual trust" and "common interests" of the two countries.

Vice Foreign Minister John Chang, also present at the signing ceremony, said the agreement marks a "solid step forward" in already cordial relations between the two close neighbors.

The Philippines was the third Southeast Asian country to sign an investment guarantee agreement with Taiwan, following Singapore and Indonesia.

Under the accord, both parties agree to fairly treat investors from each other's countries and to compensate legitimate claims of financial losses caused by war, mutiny and political turmoil; investors will be allowed to repatriate profits they have earned back to their home countries; and both governments guarantee not to "randomly" conscript factory equipment and production facilities.

The agreement will be valid for 10 years and may be extended for another decade if both sides agree.

**Japan Pressed To Apologize Over 'Comfort Women'**

*OW0303101592 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 1 Mar 92*

[From the "National News Hookup" program]

[Text] Hsu Shui-te, our country's representative in Japan, pointed out yesterday that the East Asia Relations Association is negotiating with Japan over the issue of apology and compensation concerning Taiwan comfort women. Hsu Shui-te said that our country's representative office in Japan has already called on Japan to apologize to our country over the issue of comfort women as it did with South Korea. Hsu Shui-te said records show there are 70 Taiwan comfort women. He stressed that our country will insist on an apology from Japan. It is hoped that Japan will compensate the victims after they present their cases.

Meanwhile, concerning the compensation for Taiwan soldiers who served in the Japanese Army, Hsu Shui-te said that his office will try its best to urge Japan to release compensation money to distant relatives in case the victims or the immediate family members of those soldiers are unable to collect the compensation.

**Rice Donations for Russia To Leave 10 March**

*OW0303095192 Taipei CNA in English 0758 GMT 3 Mar 92*

[Text] Taipei, March 3 (CNA)—The first shipment of rice donated to the Russian Republic, totaling 10,000 metric tons, was loaded into a Taiwan cargo ship Monday at Taichung harbor in central Taiwan.

The ship is scheduled to leave the harbor on March 10 and arrive at Vladivostok on March 15. Taiwan has donated 100,000 tons of rice to the Russian Republic to help relieve food shortages.

All of the rice will be shipped in two months.

**Mainland Students, 'Activists' Arrive for Visit**

*OW0303093292 Taipei CNA in English 0751 GMT 3 Mar 92*

[Text] Taipei, March 3 (CNA)—Two mainland student activists who took part in the 1989 Tiananmen pro-democracy demonstrations and are currently studying towards doctoral degrees in France, arrived in Taipei Monday for a 15-day visit.

Zhang Lun, a student leader during the June 4th incident, and Cai Chong-guo, who smuggled student leader Chai Ling's tapes out of the mainland after the Tiananmen massacre, are here for a "campus trip" arranged by the China Youth Corps [CYC].

They will be joined by five other mainland Chinese pro-democracy activists from the United States in Taiwan, a CYC official, sponsor of the activity, said Monday.

During their visit to Taiwan, the seven pro-democracy student leaders will visit universities and high schools and call at the government information office and other governmental and cultural organizations.

Also arriving in Taipei Monday was a group of 18 mainland students and scholars from Germany.

The group, invited by the Grand Alliance for the Reunification of China Under the Three Principles of the People, is here for a two-week visit to discuss educational systems on both sides of the Taiwan straits.

Shi Chuan, chairman of the Rhine Pen Association and leader of the group, said they are interested in learning about current primary, college and vocational education in Taiwan and their future prospects.

**SEF To Visit Mainland for Document Verification**

*OW0303095202 Taipei CNA in English 0756 GMT 3 Mar 92*

[Text] Taipei, March 3 (CNA)—Straits Exchange Foundation (SEF) staff members will visit mainland China in mid-March to discuss the verification of documents, SEF Secretary General Chen Jung-chieh said Monday.

SEF's counterpart in Peking [Beijing], the Association for Relations Across the Taiwan Straits (ARATS) sent a message to SEF in the morning agreeing to make arrangements for the visit, Chen said.

In addition to talking about document verification during the one-week visit, SEF staff members will likely discuss registered mail with mainland authorities, Chen added.

Hsu Hui-you, director of the SEF department of legal services, said his department has received 1,500 documents needing verification.

Delays in the verification work have affected the interests of many people who want to prove their births, marriages, educational backgrounds, and the deaths of family members, Hsu said.

**Newspaper Exchange Across Straits Under Study**

*OW0303092992 Taipei CNA in English 0746 GMT 3 Mar 92*

[Text] Taipei, March 3 (CNA)—The Mainland Affairs Council (MAC) is studying the feasibility of exchanging newspapers and other nonpolitical publications with mainland China, MAC Vice Chairman Kao Kung-lien said Monday.

If mainland newspapers are to be circulated here, their contents must be completely the same as those printed on the mainland. No special "Taiwan editions" will be allowed in, Kao stressed.

The government has always been wary of Peking's [Beijing] "united front" tactics through which the communist regime hopes to increase its influence on Taiwan.

"We will not welcome newspapers which stress ideology," Kao said. Nor is MAC planning to let mainland media open Taiwan branches, he added.

On the other hand, Kao said, if Taiwan newspapers are allowed to be published on the mainland, they should carry exactly the same contents as their Taiwan editions without any abridgements.

The MAC hopes the new measure will help mainland Chinese gain a better understanding of Taiwan.

Hu Chih-chiang, director general of the Government Information Office (GIO), said that before newspapers on both sides of the Straits can reach the readers on the other side, there must first be exchanges of personnel.

Meeting Xiang Xiaoji and three other pro-democracy activists from the mainland, hu said whether the MAC's "information exchange" program will proceed smoothly depends on a "good will response" from Peking.

"We will not rush to implement the program," the GIO chief added.

#### Mainland Businesses Want Broader Cooperation

OW0303102192 Taipei China Broadcasting  
Corporation News Network in Mandarin 2300 GMT  
1 Mar 92

[From the "National News Hookup" program]

[Text] A Chinese communist official said that to surmount the many obstacles that block the economic and

trade cooperation and exchanges between the two sides of the strait, mainland business circles have been promoting the idea of forming trade associations with Taiwan businesses. The idea calls for the joint formation of trade associations between mainland and Taiwan industries. The purpose is to promote direct and broader cooperation. Taiwan businessmen have been investing on the mainland on individual basis. It is believed that such cooperation between mainland and Taiwan businesses will help Taiwan businessmen change their go-it-alone business style. It will also induce more Taiwan businessmen to invest on the mainland and bring about more overseas cooperation between mainland and Taiwan businesses.

The same Chinese communist official said that mainland business circles have been studying such idea for some time. The idea is to combine the advantages of mainland and Taiwan businesses and to bring about joint investment on the mainland, in Eastern Europe, Mongolia, and Russia. By skillfully combining Taiwan enterprises' funds, management, and technology with mainland enterprises' local markets and official connections, both sides may carry out joint business operation or set up joint ventures in a favorable environment.

When talking about forming professional associations, the same Chinese communist official said that mainland industries such as the paper-making industry or the food-seasoning industry may cooperate with their Taiwan counterparts. This way, mainland and Taiwan businesses may join hands in solving problems and learn each other's needs. In addition to jointly setting up plants on the mainland and exploring overseas markets, they may set up offices or plants overseas. They may cooperate in many fields, including information exchange, management, production skills, marketing, business operation, and investment. The Communist Chinese Government is said to have supported this idea. It has also been learned that the Communist Chinese Government will formulate preferential policies to promote the economic and trade exchanges between two sides of the strait.

## Hong Kong

### Government Awards Airport Contract to UK Group

*HK0303053692 Hong Kong THE STANDARD  
in English 3 Mar 92 p A-1*

[By Brett Free]

[Text] A British-Hong Kong consortium will design the new Chek Lap Kok airport terminal for \$536 million.

And if the project costs too much to build the consortium will modify the design at no further expense.

The Mott Consortium beat more than 30 groups for the contract. It was the most expensive of the three tender finalists.

Lead consultants in the consortium are Mott Connell Ltd, agent firm; British Airports Authority (BAA) plc, a UK company which operates the world's busiest airport at Heathrow, London, and Foster HK Ltd, a UK-Hong Kong architectural group led by Sir Norman Foster, who designed the Hong Kong Bank headquarters in Central.

The fixed-price, lump-sum contract was announced yesterday by Provisional Airport Authority (PAA) chief executive Richard Allen when he unveiled the New Airport Master Plan to the public.

Mr Allen said a construction budget—which he refused to disclose—had been given to the consortium.

Figures last year showed the terminal could cost more than \$15 billion.

Mr Allen said weekly reviews would be carried out to ensure likely construction costs would not be exceeded.

"At the outset, we have a clear plan to contain costs. We have very strict cost controls on this project," he said.

"We will make sure each element of the airport is built to meet actual demand. We will not have an airport out of step with demand."

If cost over-runs were found, the consortium would have to redesign, at its own expense, that part of the terminal so it was brought back within budget.

The consortium is expected to take two years to finish its plan and will also provide staff during construction, due to start in 1994.

Mr Allen dismissed a claim the Mott Consortium had been chosen because it had strong British ties.

He said the authority had awarded 39 contracts to date—19 to firms in Hong Kong, five in the U.S., five in the UK, two in Australia and the rest in Holland, Germany, Canada and Norway.

Mr Allen said the PAA was in the process of reviewing all construction costs and should have revised figures

within two to three months. Figures in July 1991 showed the airport would cost \$43.6 billion to build but Mr Allen would not say whether he expected the figure to rise.

He said once revised figures were ready the authority would consult the Government to determine levels of public and private equity.

Earlier in the day during an Airport Consultative Committee briefing, Mr Allen denied a claim by committee member Dr Victor Sit that as much as \$10 billion could be saved by reducing space between the two runways from 1,525 metres to 900 metres.

But Mr Allen said 1,525-metre separation was the minimum international standard allowed for the independent operation of the two runways.

### Mainland Still Bans Hong Kong Satellite TV

*HK0303051092 Hong Kong SOUTH CHINA MORNING POST in English 3 Mar 92 p 6*

[By Geoffrey Crothall in Shanghai and Owen Hughes]

[Text] Chinese concern over STAR TV's content means Beijing will continue with its blanket ban on the Hong Kong-based satellite television station for at least another three months.

Eight joint venture hotels in Shanghai were last week raided by staff from the Ministry of Radio, Film and Television as part of a continuing crackdown on STAR TV.

That followed events in January when officials there pulled the plug on 50 hotels showing the station, claiming that no licences had been issued allowing them to show STAR TV programmes.

Shanghai was to have been the venue for a national conference this month to work out regulatory problems posed by the content of STAR TV's five channels.

However top level-disagreements in Beijing over how to frame rules governing foreign satellite broadcasts have led to the meeting being put back to May.

While some joint venture hotels can show more than 20 channels of satellite television including broadcasts by CNN and Japanese stations, the arrival of the last of STAR TV's five channels in December appears to have sparked the crackdown.

In a confidential letter from the ministry in Beijing dated December 18, 1991, the Shanghai Audio-Visual Department was warned not to allow any hotels to install equipment capable of receiving the five STAR TV channels—sport, the MTV music channel, BBC World Service news, Chinese-language and entertainment.

They are said to "go beyond the limits" set out by the ministry in a document issued last June. It restricts the content of overseas satellite broadcasts to "international finance, news and information".

The order goes on to instruct the audio-visual department to "strictly observe" the December memorandum and to "strengthen (its) administration of foreign satellite broadcasts".

In Hong Kong yesterday STAR TV spokesman Mr Arnie Tucker said: "We have not heard anything from Shanghai and the indications are that everything is proceeding smoothly."

CNN spokeswoman Ms Piper Parry said the station was still being received without a problem.

Like other satellite stations other than STAR TV the American news channel continues to be shown without interference to those holding a current licence. However when these lapse they will not be renewed until after the regulatory conference is held.

Three of the eight hotels now face fines of up to 20,000 yuan (HK\$28,360 [Hong Kong dollars]) after the unannounced spot checks discovered that STAR TV was being broadcast illegally.

There are thought to be 25,000 satellite dishes in China picking up programmes from overseas.

#### Commentary Assesses 1992 Exports to U.S., Asia

HK0203152392 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0530 GMT 27 Feb 92

[Commentary by Yu Cheng (6735 2052): "Selling of Hong Kong Products in U.S. and Asian Markets Continues to Improve"]

[Text] Hong Kong, 27 Feb (ZHONGGUO TONGXUN SHE)—Undoubtedly, the prospects for Hong Kong's foreign trade this year are comparatively optimistic, but overseas markets have experienced different developments. It is estimated that demand in the Asian and even the U.S. markets will steadily increase, while import growth in West Europe will slow down.

Last year, the Asian market fluctuated but basically improved, and the Chinese market caught everyone's eye. In fact, in the beginning of last year, China ended the economic phase of rectification and improvement which had lasted for several years. It increased demand for various imports and exports, bringing quick benefits to Hong Kong's foreign trade. In particular, in the past several months, the selling of Hong Kong goods to the mainland market obviously and steadily increased, thus pulling last year's annual growth to the high level of 15 percent. China will appropriately expedite economic development this year, and therefore the annual growth rate of the value of mainland-bound Hong Kong goods will probably reach 20 percent.

Not only will exports perform well, but the entrepot trade between Hong Kong and the mainland also has a great deal of room for improvement. The total volume of entrepot trade between the two places last year increased to a value equivalent to 153.3 billion Hong Kong dollars,

an annual increase of 38 percent, while the growth rate in December reached 60 percent; therefore, it is believed that, once Sino-U.S. trade relations are cleared of the disturbing unclear factors, it will help induce Hong Kong businessmen to further expedite investment and reinvestment in mainland industries, and this will help stimulate a great and steady increase in the entrepot trade between Hong Kong and the mainland.

During the second half of last year, Asian market imports slowed down, but became active again at the year's end. In particular, Japanese imports of Hong Kong goods recently witnessed a slight growth trend; if Hong Kong businessmen can continue to improve the quality of exports and promotion activities in the Japanese market, it is expected that Hong Kong goods can perform better in the Japanese market. Singapore and Taiwan markets have also increased their consumption power, bringing many benefits to the export of Hong Kong goods.

Obviously, the U.S. market has stopped declining and has experienced a mild improvement. Even in December 1991, the annual growth rate of the value of Hong Kong goods sold in the United States was as high as 15 percent, and this eradicated the worries among Hong Kong businessmen for sales at Christmas. It is generally expected that the successive reductions of interest rates in the United States during the second half of last year will have a positive effect on its economy this year, and it is believed that Hong Kong exports to the United States will increase slightly, changing last year's slightly decreasing trend.

A prudent attitude should be maintained toward West Europe's development prospects. In fact, economic development in West Europe has fluctuated a great deal. In particular, German import needs were very high early last year, but they dropped continuously over the past several months, reflecting the many difficulties Germany's economy is facing. Demand in the British, Dutch, and French markets also dropped, adversely affecting the sale of Hong Kong goods. It is believed that West European markets will continue to fluctuate this year, some experiencing development.

Generally speaking, Hong Kong's export trade will steadily develop in a positive direction this year. Hong Kong businessmen will restrengthen investment and reinvestment in South China, and this will guarantee better competitive ability of their products in overseas markets. On the other hand, Hong Kong businessmen will gradually attach importance to investment in industrial capital in Hong Kong and will improve the design and quality of their products. This will help in exploring quality goods markets and will increase marginal returns on investment. There are signs that the world's economy is gradually cycling upward, and it is believed that this will benefit Hong Kong's foreign trade and even its overall economy.

**Macao****Macao Transitional Committee Holds Second Meeting**

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1451 GMT 2 Mar 92*

[Text] Macao, March 2 (XINHUA)—The Macao committee dealing with affairs during the transitional period discussed a series of important issues at its second meeting held here today.

According to the press communique released after the meeting, the meeting examined the official status of Chinese as an official language in Macao, translation of legal documents and training of local government staff as well as ways of achieving these goals.

The meeting also worked out policies to speed up economic development and maintain social stability in Macao.

The committee, set up in October 1990, is chaired by the governor himself.

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